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BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91207836
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Consolidated cash-flow statements

SEK bn	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating income (loss)	7.1	17.6	26.9	18.0	(17.0)	15.9	22.2	20.4	18.2	14.7	2.5
Depreciation and amortization	17.4	14.7	13.9	13.8	15.2	13.5	12.5	12.4	9.9	10.0	10.2
Other non-cash items	2.4	1.4	1.3	1.6	4.4	(0.2)	(0.5)	0.7	0.4	(0.1)	4.9
Change in working capital	(10.8)	(21.9)	(15.1)	4.8	16.9	(23.3)	(9.9)	(7.7)	(4.7)	(1.4)	0.4
Customer financing receivables, net	-	-	-	-	-	-	-	-	(7.8)	(7.4)	(4.3)
Financial items and income tax	(5.1)	(8.0)	(7.3)	(5.5)	(4.6)	(5.2)	(5.9)	(4.3)	(2.0)	(0.5)	(0.9)
Cash-flow from operating activities	11.0	3.8	19.7	32.7	14.9	0.7	18.4	21.5	14.0	15.3	12.8
Investments in fixed assets	(12.2)	(14.6)	(12.6)	(10.4)	(10.5)	(12.7)	(10.1)	(10.0)	(10.3)	(7.4)	(6.0)
Investments in leasing assets	(8.2)	(10.0)	(7.4)	(4.8)	(4.2)	(5.4)	(4.8)	(4.6)	(4.5)	(4.4)	(5.3)
Disposals of fixed assets and leasing assets	3.4	3.1	3.3	3.1	3.8	2.9	2.9	3.2	2.6	2.4	2.9
Shares and participations, net	0.0	(1.2)	(0.1)	(0.1)	0.0	0.0	0.4	(5.8)	0.3	15.1	(0.1)
Acquired and divested subsidiaries and other business units, net	0.9	3.4	(1.6)	0.6	0.2	(1.3)	(15.0)	0.5	0.7	(0.1)	0.0
Interest-bearing receivables including marketable securities	0.5	3.7	2.6	6.8	(8.9)	10.9	3.6	7.7	(1.3)	(6.4)	(2.0)
Cash-flow after net investments	(4.6)	(11.8)	3.9	27.9	(4.7)	(4.9)	(4.6)	12.5	1.5	14.5	2.3
Change in loans, net	13.0	14.1	8.7	(25.7)	12.6	18.2	28.7	(2.6)	3.6	(8.8)	1.9
Repurchase of own shares	-	-	-	-	0.0	-	-	-	(1.8)	(2.5)	-
Dividend to AB Volvo's shareholders	(6.1)	(6.1)	(5.1)	0.0	(4.1)	(11.1)	(20.3)	(6.8)	(5.1)	(3.4)	(3.4)
Cash payment to minority	(0.2)	0.0	0.0	(0.1)	-	-	-	-	-	-	-
Other	0.1	0.0	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.1
Change in cash and cash equivalents excluding translation differences	2.2	(3.8)	7.5	2.1	3.7	2.2	3.8	3.1	(1.8)	(0.2)	0.9
Translation differences on cash and cash equivalents	(0.5)	(0.8)	(0.1)	(0.4)	(0.2)	1.0	0.0	(0.5)	1.1	(0.2)	(0.6)
Change in cash and cash equivalents	1.7	(4.6)	7.4	1.7	3.5	3.2	3.8	2.6	(0.7)	(0.4)	0.3

Operating cash-flow Industrial Operations

SEK bn	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating income	5.6	16.1	26.0	17.8	(16.3)	14.5	20.6	18.7	16.1	13.3	1.6
Depreciation and amortization	14.5	12.0	11.4	11.4	12.4	11.8	10.3	9.8	7.3	7.1	7.2
Other items not affecting cash	1.5	0.8	0.6	0.1	2.3	(0.7)	(0.4)	0.2	0.2	(0.6)	4.1
Change in working capital	(2.0)	(9.2)	(4.2)	4.6	4.7	(10.9)	(0.1)	(3.1)	(5.6)	(1.4)	0.7
Financial items and income taxes	(4.9)	(7.3)	(6.9)	(5.1)	(4.7)	(5.0)	(6.0)	(3.7)	(1.9)	(0.2)	(0.7)
Cash-flow from operating activities	14.7	12.4	26.9	28.8	(1.6)	9.7	24.4	21.9	16.1	18.2	12.9
Investments in fixed assets	(12.2)	(14.6)	(12.6)	(10.3)	(10.3)	(12.6)	(10.1)	(9.7)	(9.9)	(7.2)	(5.8)
Investments in leasing assets	(1.5)	(3.6)	(1.4)	(0.3)	(0.2)	(0.4)	(0.2)	(0.5)	(0.3)	(0.3)	(0.1)
Disposals of fixed assets and leasing assets	0.5	0.9	1.2	0.8	0.7	0.6	1.1	0.9	0.9	0.7	0.6
Operating cash-flow	1.5	(4.9)	14.1	19.0	(11.4)	(2.7)	15.2	12.6	6.8	11.4	7.6

Exports from Sweden

SEK M	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Volvo Group, total	88,560	84,314	91,065	72,688	41,829	96,571	88,606	80,517	71,133	62,653	49,300

Key ratios

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Gross margin, % ¹	21.1	21.9	23.7	23.3	13.9	21.3	22.6	22.7	21.8	21.6	19.2
Research and development expenses as percentage of net sales ¹	5.7	5.0	4.4	5.0	6.3	4.9	4.0	3.4	3.3	3.8	3.9
Selling expenses as percentage of net sales ¹	10.1	9.0	8.0	8.8	11.4	8.7	8.9	8.0	8.5	9.1	9.1
Administration expenses as percentage of net sales ¹	2.2	1.9	2.3	2.2	2.8	2.3	2.6	2.6	2.7	2.6	3.0
Return on shareholders' equity, %	5.0	12.9	23.1	16.0	(19.7)	12.1	18.1	19.6	17.8	13.9	0.4
Interest coverage, times ¹	2.1	6.7	9.6	5.9	(4.7)	8.8	20.7	26.1	16.7	11.0	1.9
Self-financing ratio, %	84	18	118	270	137	5	153	189	116	163	152
Self-financing ratio Industrial Operations, %	112	72	210	294	(16)	78	265	235	173	268	243
Financial position, Industrial Operations, SEK M	(19,828)	(22,978)	(19,346)	(24,691)	(41,489)	(29,795)	(4,305)	23,076	18,675	18,110	(2,426)
Net financial position as percentage of shareholders' equity ¹	(46.8)	(29.3)	(25.2)	(37.4)	(70.9)	(39.7)	(5.7)	29.2	23.7	25.8	(3.3)
Shareholders' equity as percentage of total assets	22.4	25.7	24.3	23.3	20.2	22.7	25.7	33.7	30.6	31.3	31.4
Shareholders' equity as percentage of total assets, Industrial Operations	27.0	30.9	28.5	26.9	23.8	28.4	30.8	40.6	40.4	40.0	40.5
Shareholders' equity excluding minority interest as percentage of total assets	22.0	25.2	23.9	23.0	20.0	22.6	25.6	33.6	30.5	31.2	31.3

¹ Pertains to the Industrial Operations. For periods up to and including 2006, Volvo Financial Services is included and consolidated according to the equity method.

Volvo share statistics

Data per share

(adjusted for issues and splits)¹

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Basic earnings, SEK ¹	1.77	5.44	8.75	5.36	(7.26)	4.90	7.37	8.03	6.44	4.72	0.14
Cash dividend, SEK	3.00 ¹⁰	3.00	3.00	2.50	0	2.00	5.50	10.00 ⁹	3.35	2.50	1.60
Share price at year-end, SEK (B share)	84.45	88.80	75.30	118.50	61.45	42.90	108.50	90.70	74.90	52.70	43.70
Direct return, % (B share) ²	3.6	3.4	4.0	2.1	-	4.7	5.1	11.0	4.5	4.7	10.5 ⁸
Effective return, % (B share) ³	(2)	22	(34)	97	43	(59)	25.7	39.8	48.5	25.5	71.2
Price/earnings ratio (B share) ⁴	47.7	16.3	8.6	22.1	neg	8.8	14.7	11.3	11.6	11.2	310
EBIT multiple ⁵	19.6	9.0	5.1	12.0	neg	3.6	9.7	10.3	9.3	9.2	14
Payout ratio, % ⁶	169	55	34	47	-	41	75	62	52	53	1,143
Shareholders' equity, SEK ⁷	38	43	42	36	33	41	41	43	38.80	34	34.60
Return on shareholders' equity	5.0	12.9	23.1	16.0	neg	12.1	18.1	19.6	17.8	13.9	0.4

1 Basic earnings per share is calculated as income for the period divided by average number of shares outstanding. Reporting according to IFRS from 2004.

2 Proposed dividend in SEK per share divided by share price at year-end.

3 Share price at year-end, including proposed dividend during the year, divided by share price at beginning of the year, (2000 includes premium in connection with repurchase, 2003 includes distribution of shares in Ainax, 2006 includes a share split 6:1 in which the sixth share was redeemed by AB Volvo for an amount of SEK 5.00 per share).

4 Share price at year-end divided by basic earnings per share.

5 Market value at year-end minus net financial position and minority interests divided by operating income excluding restructuring costs and revaluation of shares.

6 Cash dividend divided by basic earnings per share.

7 Shareholders' equity for shareholders in AB Volvo divided by number of shares outstanding at year-end.

8 Including distribution of shares in Ainax equal to SEK 3.01 (share-split adjusted) per Volvo share in 2004.

9 Including extra payment of SEK 5 through redemption of shares.

10 Proposed by the Board of Directors.

Other share data

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Number of shareholders at year-end	246,265	242,482	251,715	240,043	233,311	220,192	197,519	183,735	195,442	202,300	208,500
Number of Series A shares outstanding at year-end, million	499	526	643	657	657	657	657	131.4	131.4	131.5	131.7
Number of Series B shares outstanding at year-end, million	1,530	1,502	1,385	1,371	1,371	1,371	1,369	273.4	273.1	278.6	287.8
Average number of shares outstanding, million	2,028	2,028	2,027	2,027	2,027	2,027	2,025	404.7	405.2	418.5	419.4
Number of Series A shares traded in Stockholm during the year, million	53.0	45.4	130.5	203.2	147.0	308.0	172.3	56.4	39.3	42.0	31.4
Number of Series B shares traded in Stockholm during the year, million	1,878.5	2,081.2	2,944.1	2,272.4	2,713.9	3,130.0	2,712.4	617.0	518.7	498.0	404.8
Number of shares traded in ADR, NASDAQ during the year, million	-	-	-	-	-	-	113.5	14.1	19.8	24.0	10.4

The largest shareholders in AB Volvo, December 31, 2013¹

	Number of shares	% of total votes	Share capital, %
Industrivärden	132,766,449	20.2	6.5
Cevian Capital	98,502,263	11.0	4.9
Norges Bank Investment Management	128,345,193	6.3	6.3
SHB ²	40,468,049	5.8	2.0
Alecta (pension funds)	78,885,000	4.4	3.9
AMF Insurance & Funds	65,450,366	4.4	3.2
AFA Insurance	24,810,466	3.7	1.2
AP4 Fund	23,350,966	1.9	1.2
Swedbank Robur Funds	93,989,054	1.8	4.6
Skandia Liv	15,831,160	1.8	0.8
Total	702,398,966	61.2	34.6

1 Based on the number of outstanding shares.

2 Comprises shares held by SHB, SHB Pension Fund, SHB Employee Fund, SHB Pensionskassa and Oktogonen.

Distribution of shares, December 31, 2013¹

	Number of shareholders	% of total votes ¹	Share of capital, % ¹
1-1,000 shares	184,533	2.8	2.8
1,001-10,000 shares	56,254	7.7	6.4
10,001-100,000 shares	4,748	5.5	3.8
100,001+	730	84.0	87.0
Total	246,265	100.0	100.0

1 Based on all registered shares.

AB Volvo held 4.7% of the Company's shares on December 31, 2013.

Business area statistics

Net sales¹

SEK M		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Trucks	Europe	73,640	76,365	83,451	69,606	65,874	109,914	108,651	93,282	79,706	77,431	70,101
	North America	40,314	42,650	37,042	26,901	21,563	26,588	27,255	50,605	46,129	35,154	28,151
	South America	23,318	21,172	26,847	21,680	12,490	14,680	11,483	9,213	7,657	5,223	3,464
	Asia	26,740	36,531	37,840	35,231	26,943	37,515	26,593	8,975	13,551	12,378	9,206
	Other markets	14,462	15,565	13,741	13,887	12,069	14,538	13,910	9,190	8,353	6,693	6,047
	Total	178,474	192,283	198,920	167,305	138,940	203,235	187,892	171,265	155,396	136,879	116,969
Buses	Europe	5,429	6,200	6,631	6,242	7,707	7,321	7,767	7,924	7,142	6,948	6,534
	North America	5,929	6,675	7,532	7,200	5,673	5,355	4,630	4,910	4,247	2,960	2,984
	South America	1,836	2,794	2,715	1,737	1,235	1,571	1,623	1,537	2,641	521	329
	Asia	2,055	2,853	2,953	3,299	2,749	2,094	1,802	2,003	1,612	1,632	1,447
	Other markets	1,457	1,774	1,992	2,038	1,101	971	786	897	947	661	684
	Total	16,707	20,295	21,823	20,516	18,465	17,312	16,608	17,271	16,589	12,722	11,978
Construction Equipment	Europe	16,356	16,518	17,765	16,138	12,987	25,192	25,294	20,326	15,524	13,453	12,348
	North America	8,319	12,027	7,829	6,267	5,475	10,159	11,170	11,280	10,337	8,601	5,428
	South America	3,314	3,788	4,163	4,130	2,578	2,913	2,155	1,358	1,238	922	636
	Asia	21,911	27,033	29,999	24,352	12,957	13,738	12,179	6,903	5,717	4,961	3,707
	Other markets	3,539	4,192	3,745	2,923	1,661	4,077	2,835	2,264	2,000	1,423	1,035
	Total	53,437	63,558	63,500	53,810	35,658	56,079	53,633	42,131	34,816	29,360	23,154
Volvo Penta	Europe	3,714	3,620	4,274	4,507	4,390	6,554	6,798	6,111	5,102	4,907	4,189
	North America	1,491	1,486	1,379	1,500	1,100	1,947	2,674	2,815	2,832	2,500	2,109
	South America	297	306	335	335	284	364	274	221	208	142	146
	Asia	1,692	1,867	2,130	2,008	2,054	2,082	1,624	1,359	1,427	1,324	947
	Other markets	356	352	341	366	331	486	349	268	207	184	205
	Total	7,550	7,631	8,458	8,716	8,159	11,433	11,719	10,774	9,776	9,057	7,596
Volvo Aero	Europe	-	2,404	2,893	3,768	3,942	3,497	3,462	3,798	3,406	3,179	4,000
	North America	-	2,657	3,300	3,599	3,508	3,534	3,723	3,815	3,612	3,127	3,301
	South America	-	0	7	27	34	58	127	173	168	138	152
	Asia	-	109	104	233	205	234	234	356	284	400	428
	Other markets	-	49	52	81	114	125	100	91	68	81	149
	Total	-	5,219	6,356	7,708	7,803	7,448	7,646	8,233	7,538	6,925	8,030
	Other and eliminations	9,252	7,044	4,532	(680)	(538)	(575)	(703)	(654)	7,076	7,228	7,041
	Net sales Industrial Operations	265,420	296,031	303,589	257,375	208,487	294,932	276,795	249,020	231,191	202,171	174,768
Customer Finance	Europe	4,686	4,703	4,663	4,733	7,127	7,099	4,484	4,388	4,797	6,613	6,078
	North America	2,900	2,833	2,326	2,605	3,004	369	2,467	2,569	2,036	2,432	2,542
	South America	1,009	1,195	1,131	1,156	1,070	791	620	608	570	396	358
	Asia	707	795	571	435	435	158	87	45	101	90	65
	Other markets	237	257	192	101	75	68	47	38	45	67	110
	Total	9,539	9,783	8,883	9,031	11,711	8,485	7,705	7,648	7,549	9,598	9,153
	Eliminations	(2,336)	(2,167)	(2,104)	(1,658)	(1,836)	250	905	2,167	1,819	(693)	(630)
	Volvo Group total	272,622	303,647	310,367	264,749	218,361	303,667	285,405	258,835	240,559	211,076	183,291

1 As of January 1, 2007, the results from the synergies created in the business units are transferred back to the various business areas.
Comparison figures for 2006 have been restated.

Volvo Aero was divested in October 1, 2012.

Operating income

SEK M	2013 ⁵	2012 ⁴	2011	2010	2009	2008	2007	2006 ¹	2005	2004 ²	2003 ³
Trucks	6,145	10,216	18,227	10,112	(10,805)	12,167	15,193	13,116	11,717	8,992	3,951
Buses	(190)	51	1,114	780	(350)	(76)	231	745	470	158	(790)
Construction Equipment	2,592	5,773	6,812	6,180	(4,005)	1,808	4,218	4,072	2,752	1,898	908
Volvo Penta	626	541	825	578	(230)	928	1,173	1,105	943	940	695
Volvo Aero	–	767	360	286	50	359	529	359	836	403	(44)
Customer Finance	1,522	1,492	969	167	(680)	1,397	1,649	1,686	2,033	1,365	926
Other	(3,557)	(1,217)	(1,408)	(102)	(994)	(731)	(762)	(684)	(598)	923	(3,142)
Operating income (loss)											
Volvo Group	7,138	17,622	26,899	18,000	(17,013)	15,851	22,231	20,399	18,153	14,679	2,504

As of January 1, 2007, the benefits from the synergies created in the business units are transferred back to the various business areas. Comparison figures for 2006 have been restated.

1 Operating income in 2006 includes adjustment of goodwill of neg 1,712, reported in Trucks.

2 Operating income in 2004 included reversal of write-down of shares in Scania AB of 915, reported in Other, and write-down of shares in Henlys Group Plc of 95, reported in Buses.

3 Operating income in 2003 included write-down of shares in Scania AB and Henlys Group Plc amounting to 4,030, of which 429 was reported in Buses (Henlys Group) and 3,601 was reported in Other (Scania AB).

4 Volvo Aero was divested October 1, 2012.

5 Operating income in 2013 includes a revaluation of neg 1,500 related to Volvo Rents, reported in Other.

Operating margin

%	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Trucks	3.4	5.3	9.2	6.0	(7.8)	6.0	8.1	7.7	7.5	6.6	3.4
Buses	(1.1)	0.3	5.1	3.8	(1.9)	(0.4)	1.4	4.3	2.8	1.2	(6.6)
Construction Equipment	4.9	9.1	10.7	11.5	(11.2)	3.2	7.9	9.7	7.9	6.5	3.9
Volvo Penta	8.3	7.1	9.8	6.6	(2.8)	8.1	10.0	10.3	9.6	10.4	9.1
Volvo Aero	–	14.7	5.7	3.7	0.6	4.8	6.9	4.4	11.1	5.8	(0.5)
Volvo Group Industrial Operations	2.1	5.4	8.5	6.9	(7.8)	5.2	7.8	7.9	7.9	7.3	1.4
Customer Finance	16.0	15.3	10.9	1.8	(5.8)	16.5	21.4	22.0	26.9	14.2	10.1
Volvo Group	2.6	5.8	8.7	6.8	(7.8)	5.2	7.8	7.9	7.5	7.0	1.4

Number of employees at year-end

Number ^{1,2,3}	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Trucks	58,542	61,256	62,315	57,796	56,505	64,280	64,390	49,900	50,240	49,450	46,900
Buses	6,648	7,514	8,529	8,685	9,541	8,930	9,290	7,760	7,710	7,700	6,680
Construction Equipment	14,663	14,788	18,422	16,648	16,126	19,810	19,710	11,050	10,290	9,930	9,280
Volvo Penta	1,412	1,361	2,549	2,353	2,928	2,940	3,000	1,650	1,560	1,580	1,440
Volvo Aero	–	–	3,179	3,120	3,278	3,510	3,550	3,510	3,460	3,350	3,440
Financial Services	1,355	1,362	1,323	1,235	1,234	1,290	1,150	1,010	1,070	1,100	1,060
Other	12,913	12,436	1,845	572	596	620	610	8,310	7,530	7,970	6,940
Volvo Group, total	95,533	98,717	98,162	90,409	90,208	101,380	101,700	83,190	81,860	81,080	75,740

1 As of 2007, employees in business units are allocated to the business areas.

2 As of 2009 regular employees are shown, previously temporary employees were also included.

3 As of 2012, employees in business units are not allocated to the business areas.

Environmental performance of Volvo production plants, Industrial operations

Absolute values related to net sales	2013	2012 ¹	2011	2010
Energy consumption (GWh; MWh/SEK M)	2,536; 9.6	2,518; 8.6	2,471; 8.1	2,315; 9.0
CO ₂ emissions (1,000 tons; tons/SEK M)	280; 1.1	235; 0.8	255; 0.8	279; 1.1
Water consumption (1,000 m ³ ; m ³ /SEK M)	5,815; 21.9	7,372; 25.2	7,970; 26.2	7,519; 29.2
NO _x emissions (tons; kilos/SEK M)	347; 1.3	413; 1.4	474; 1.6	719; 2.8
Solvent emissions (tons; kilos/SEK M)	2,221; 8.4	2,358; 8.1	2,554; 8.4	2,294; 8.9
Sulphur dioxide emissions (tons; kilos/SEK M)	23.4; 0.1	26; 0.1	34; 0.1	33; 0.1
Hazardous waste (tons; kg/SEK M)	28,395; 107.0	32,547; 111.4	25,943; 85.5	22,730; 88
Net sales, SEK bn	265.4	292.2	303.6	257.4

1 Restated according to new accounting rules.

2 Excluding UD Trucks and Ingersoll Rand Road Development.

Employees

Number ¹	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Sweden	22,588	23,052	24,663	23,073	22,763	28,190	28,660	27,830	27,070	28,530	26,380
Europe, excluding Sweden	29,746	30,382	30,458	29,239	29,793	32,940	32,780	30,070	29,650	28,930	29,120
North America	16,397	16,569	15,427	12,844	12,640	14,200	15,750	14,820	15,140	14,620	12,270
South America	6,275	5,977	5,234	4,322	4,257	4,380	4,640	3,890	3,690	3,110	2,640
Asia	17,953	20,222	19,924	18,535	18,416	19,090	17,150	4,420	4,210	4,130	3,710
Other markets	2,574	2,515	2,456	2,396	2,339	2,580	2,720	2,160	2,100	1,760	1,620
Volvo Group total	95,533	98,717	98,162	90,409	90,208	101,380	101,700	83,190	81,860	81,080	75,740

¹ As of 2009 regular employees are shown, previously temporary employees were also included.

Delivered units

Number	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Heavy-duty trucks (>16 tons)	170,307	172,798	179,779	123,522	82,675	179,962	172,322	179,089	172,242	152,300	120,920
Medium-duty trucks (7–15.9 tons)	16,779	32,935	34,631	30,657	21,653	30,817	27,933	14,695	18,643	18,800	15,870
Light trucks (<7 tons)	13,188	18,284	23,982	25,811	23,354	40,372	36,101	26,147	23,494	22,120	19,200
Total trucks	200,274	224,017	238,391	179,989	127,681	251,151	236,356	219,931	214,379	193,220	155,990

Number		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Trucks	Total Europe	82,088	84,355	95,113	65,503	49,145	121,847	128,070	114,417	103,622	102,670	92,080
	Western Europe	64,275	63,730	75,728	56,215	43,919	95,969	100,106	97,074	91,087	90,750	82,670
	Eastern Europe	17,813	20,625	19,385	9,288	5,226	25,878	27,964	17,343	12,535	11,920	9,410
	North America	44,755	47,806	42,613	24,282	17,574	30,146	33,280	70,499	64,974	49,270	34,760
	South America	29,137	23,443	29,274	21,483	12,587	18,092	15,264	11,646	11,248	9,190	5,980
	Asia	28,692	51,514	56,165	53,833	34,800	60,725	39,916	12,817	25,706	24,880	16,290
	Other markets	15,602	16,899	15,226	14,888	13,575	20,341	19,826	10,552	8,829	7,210	6,880
	Total	200,274	224,017	238,391	179,989	127,681	251,151	236,356	219,931	214,379	193,220	155,990
Buses	Total Europe	2,146	2,491	2,695	2,395	3,164	3,313	3,748	3,570	3,723	3,417	3,087
	Western Europe	2,073	2,427	2,601	2,336	2,896	3,140	3,377	3,081	3,385	3,073	2,782
	Eastern Europe	73	64	94	59	268	173	371	489	338	344	305
	North America	1,752	1,826	3,014	2,092	1,539	1,884	1,547	1,741	1,546	1,388	1,553
	South America	2,434	2,560	2,620	1,174	690	995	1,318	1,236	2,297	624	369
	Asia	1,822	2,945	3,417	3,477	3,839	3,033	2,757	3,349	2,554	2,341	2,227
	Other markets	756	856	1,040	1,091	625	712	546	464	555	462	581
	Total	8,910	10,678	12,786	10,229	9,857	9,937	9,916	10,360	10,675	8,232	7,817

2009	2008	2007 ²	2006	2005	2004	2003
1,888; 9.1	2,530; 8.6	2,426; 9.6	2,612; 10.5	2,683; 11.6	2,695; 13.3	2,607; 14.9
213; 1.0	291; 1.0	242; 1.0	282; 11.4	292; 1.3	293; 1.5	298; 1.7
6,637; 31.8	8,205; 27.8	7,067; 27.9	7,596; 30.6	7,419; 32.1	8,495; 42.2	8,687; 49.1
322; 1.5	800; 2.7	542; 2.1	606; 2.4	672; 2.9	645; 3.2	570; 3.3
1,435; 6.9	1,945; 6.6	1,979; 7.8	2,048; 8.3	1,960; 8.5	2,085; 10.3	1,965; 11.2
38; 0.2	64; 0.2	58; 0.2	69; 0.3	209; 0.9	184; 0.9	200; 1.1
17,558; 84	27,675; 94	27,120; 107	26,987; 108.8	23,590; 102	24,675; 122.1	21,613; 124
208.5	294.9	253.2	248.1	231.2	202.1	174.8

Our material issues

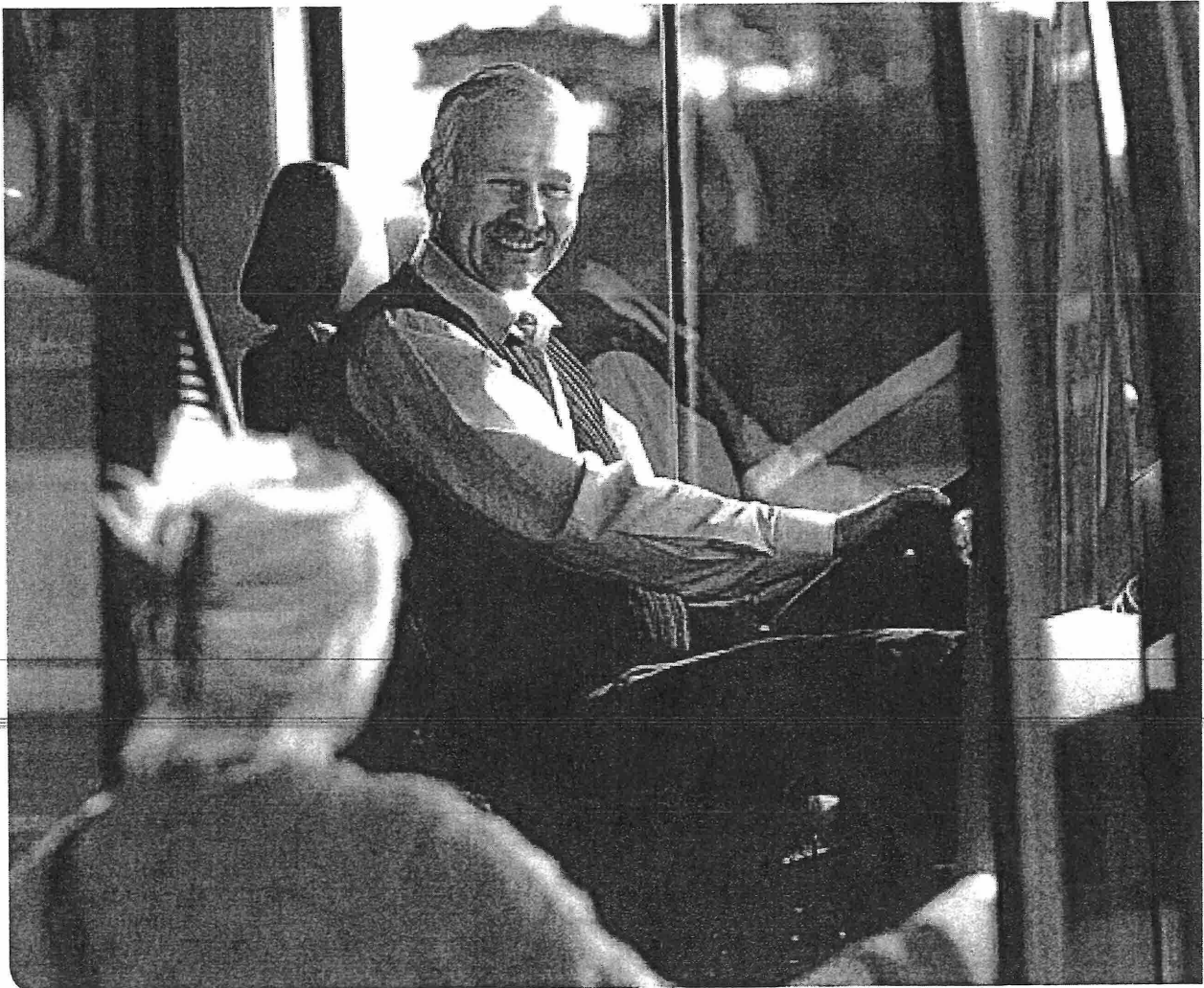
During 2013, we strengthened our approach to CSR and sustainability by conducting a wider and more formal analysis of the Volvo Group's material issues. This has enabled us to rank the issues that the Volvo Group and external stakeholders consider of highest importance, with customer satisfaction, energy-efficient products, and product safety as key priorities.

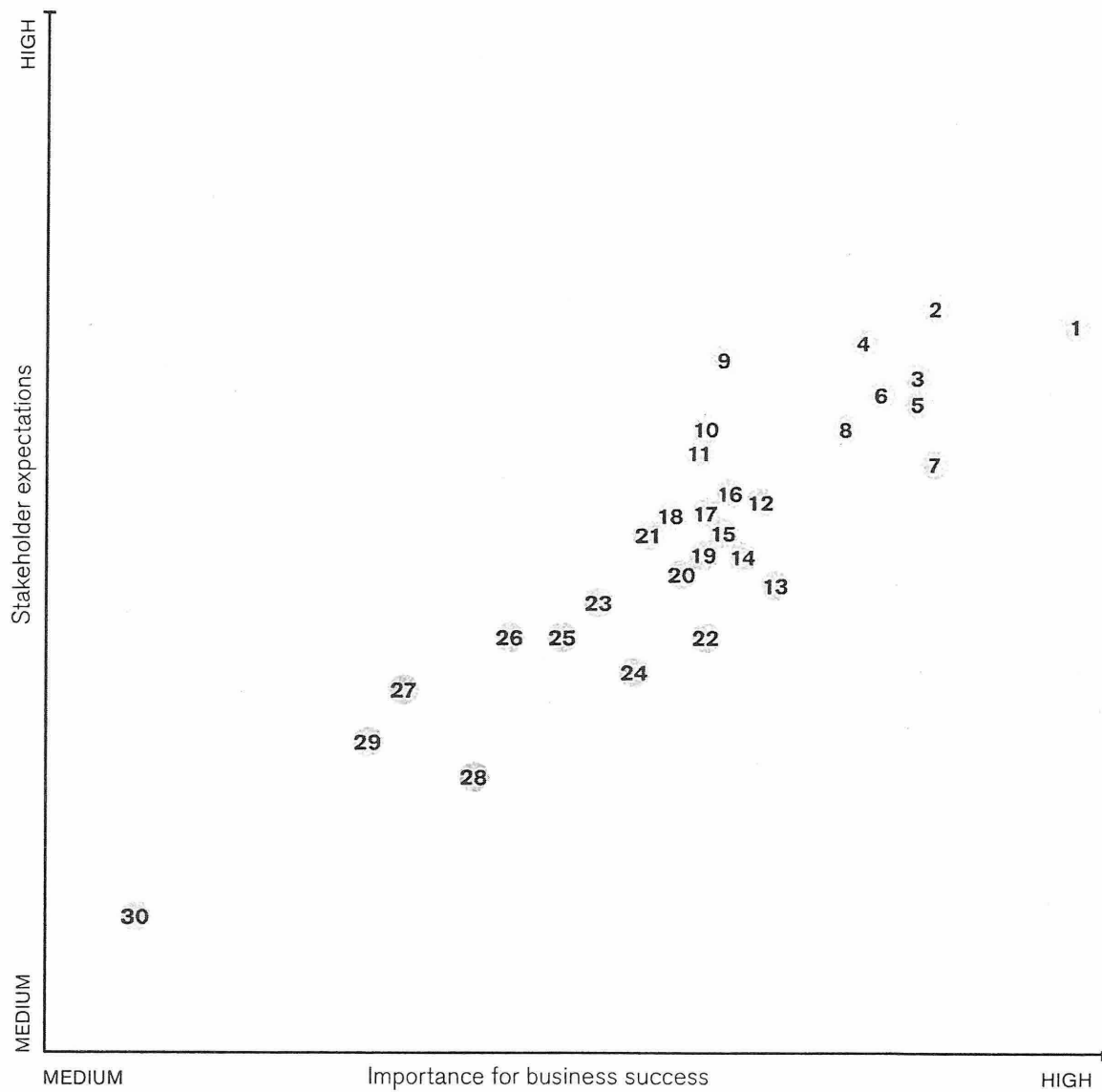
Our materiality approach

As a first step, we completed the process internally this year. Colleagues from the Group's CSR committee, business intelligence, business strategy and management teams assessed and ranked a long list of issues relevant to the Volvo Group's business success. Employees with close contact and detailed knowledge of eight stakeholder groups completed the assessment from the point of view of customers, employees, potential employees, suppliers, capital market, decision makers, universities and NGOs.

Conclusions

We regard the resulting matrix as a useful tool to guide and inform our CSR and sustainability strategies, actions and communications. We know not all issues will be relevant for all stakeholders, and that priorities will vary by region – such as human rights in emerging markets. We will continue to evaluate issues, and their rankings, as we expand the stakeholder input in our materiality process.





1 Customer satisfaction	11 Production related environmental issues	21 Climate change
2 Energy-efficient products	12 Volvo Group values and culture	22 Mobility in urban areas
3 Product safety	13 Availability of skilled workforce	23 Diversity and equal opportunity
4 Business ethics	14 Transport system efficiency	24 Corporate governance
5 Research and innovation	15 Employee training and development	25 Local economic growth
6 Alternative fuels and drivelines	16 Traffic safety	26 Product end-of-life management
7 Financial performance	17 Responsible sourcing	27 Local community engagement
8 Transition to sustainable transport solutions	18 Occupational health and safety	28 Goods security
9 Environmental impact of product in use	19 Emerging markets products	29 Water consumption
10 Human rights	20 Stakeholder dialogue	30 Donations and charity

DEFINITIONS

Basic earnings per share

Income for the period attributable to shareholders of the Parent Company divided by the weighted average number of shares outstanding during the period.

Capital expenditures

Capital expenditures include investments in property, plant and equipment, intangible assets and assets under operating leases. Investments in fixed assets included in the Group's cash-flow statement include only capital expenditures that have reduced the Group's liquid funds during the year.

Cash-flow

Combined changes in the Group's liquid funds during the fiscal year. Changes in liquid funds are specified with reference to changes in operations, operating activities, changes depending on investments in equipment, fixed assets etc. and financing activities such as changes in loans and investments.

Diluted earnings per share

Diluted earnings per share is calculated as income for the period attributable to the Parent Company's shareholders divided by the average number of shares outstanding plus the average number of shares that would be issued as an effect of ongoing share-based incentive programs and employee stock option programs.

EBITDA

EBITDA is the operating income before depreciation and amortization of tangible and intangible assets. This key figure is calculated by adding back depreciation and amortization on the operating income of the Industrial operations.

Equity ratio

Shareholders' equity divided by total assets.

Financial targets

Information on how the comparison with competitors is made is available under the heading Investors on www.volvogroup.com.

Interest coverage

Operating income plus interest income and similar credits divided by interest expense and similar charges.

Joint ventures

Companies over which the Company has joint control together with one or more external parties.

Net financial position

Cash and cash equivalents, marketable securities and interest-bearing short- and long-term receivables reduced by short- and long-term interest-bearing liabilities and provisions for post-employment benefits.

Operating margin

Operating income divided by net sales.

Penetration rate

Share of unit sales financed by Volvo Financial Services in relation to total number units sold by the Volvo Group in markets where financial services are offered.

Return on shareholders' equity

Income for the period divided by average shareholders' equity.

Self-financing ratio

Cash-flow from operating activities (see Cash-flow statement) divided by net investments in fixed assets and leasing assets as defined in the cash-flow statement.

ANNUAL GENERAL MEETING, APRIL 2, 2014

The Annual General Meeting of AB Volvo will be held in Göteborg in Lisebergshallen (entrance from Örgrytevägen) Wednesday, April 2, 2014, at 3:00 p.m. Doors to meeting hall open at 1.30 p.m.

Notice

Those who wish to participate must be recorded as shareholders in the share register maintained by Euroclear Sweden AB on March 27, 2014 and give notice of intention to attend the meeting, beginning March 4 and not later than March 27, 2014:

- by telephone, +46 8 402 90 76, notice of intention to attend the meeting could be given by telephone no later than 4.00 p.m. on March 27, 2014
- by mail addressed to AB Volvo (publ), "AGM", P.O. Box 7841, SE-103 98 Stockholm, Sweden
- on AB Volvo's website www.volvogroup.com

When giving notice, shareholders should state their:

- name
- personal registration number (corporate registration number)
- address and telephone number
- name and personal number (registration number) of the proxy, if any
- number of any accompanying assistant(s)

Shareholders who have trustee-registered shares should, in good time prior to March 27, 2014, request owner-registration, which could be temporary, at the bank or broker holding the shares.

VOLVO'S ELECTION COMMITTEE

The following persons are members of Volvo's Election Committee:

Carl-Olof By	Chairman of the Election Committee, AB Industrivärden
Lars Förberg	Cevian Capital
Yngve Slyngstad	Norges Bank Investment Management
Håkan Sandberg	Svenska Handelsbanken, SHB Pension Fund, SHB Pensionskassa, SHB Employee Fund and Oktogonen
Carl-Henric Svanberg	Chairman of the AB Volvo Board

Among other duties, the Election Committee is responsible for submitting to the Annual General Meeting proposals for candidates to serve as members of the Board of Directors and Chairman of the Board and proposal for auditors if applicable. The Committee also proposes the amount of the fees to be paid to the holders of these positions.

PRELIMINARY PUBLICATION DATES

Report for the first three months 2014	April 25, 2014
Report for the first six months 2014	July 18, 2014
Report for the first nine months 2014	October 24, 2014
Report on 2014 operations	February, 2015
Annual Report 2014	March, 2015

The reports are available on www.volvogroup.com on date of publication and are also sent electronically to shareholders who have advised Volvo that they wish to receive financial information.

Historical and current time series reflecting the Volvo Group's market information and share data are published regularly on www.volvogroup.com.

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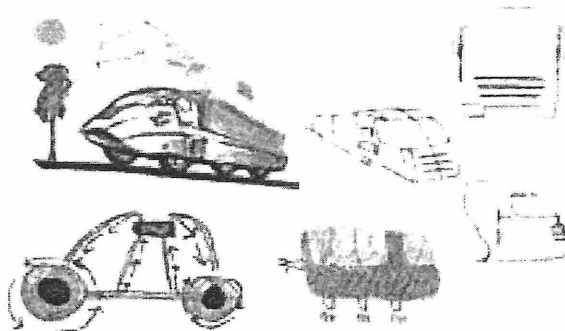
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SHAPING ANOTHER FUTURE

The future is full of challenges. That is why creating new solutions and innovations is an important part of our work at Volvo Group. So, we decided to ask a group of children, the engineers of tomorrow, to help us, and they came up with some great ideas! Then we invited technology students to take the ideas further and transform the ideas into designs. Find out more at techworld.volvogroup.com



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EXHIBIT 66

VOLVO GROUP REPORT ON THE SECOND QUARTER 2014

- » In the second quarter net sales amounted to SEK 72.6 billion (72.8). Adjusted for currency movements and acquired and divested units sales decreased by 1%.
- » The second quarter operating income amounted to SEK 4,325 M (3,279) excluding restructuring charges of SEK 762 M (16). The operating income includes a positive effect totaling SEK 1,041 M from a capital gain on the sale of commercial real estate and the release of a provision for Volvo Rents. Currency exchange rates had a negative impact of SEK 176 M.
- » Operating margin in the second quarter was 6.0% (4.5) excluding restructuring charges and 4.9% (4.5) including restructuring charges.
- » In the second quarter diluted earnings per share were SEK 1.22 (0.99).
- » In the second quarter operating cash flow in the Industrial Operations amounted to SEK 4.0 billion (4.1).



	Second quarter		First six months	
	2014	2013	2014	2013
Net sales, SEK M	72,601	72,756	138,247	131,100
Operating income excl. restructuring charges, SEK M	4,325	3,279	6,913	3,774
Operating margin excl. restructuring charges, %	6.0	4.5	5.0	2.9
Restructuring charges, SEK M	(762)	(16)	(1,080)	(30)
Operating income, SEK M	3,563	3,262	5,833	3,744
Operating margin, %	4.9	4.5	4.2	2.9
Income after financial items, SEK M	3,364	2,880	5,091	2,779
Income for the period, SEK M	2,534	2,086	3,675	1,838
Diluted earnings per share, SEK	1.22	0.99	1.75	0.84
Operating Cash Flow in Industrial Operations, SEK Bn	4.0	4.1	(5.0)	(3.5)
Return on shareholders' equity, rolling 12 months, %			7.3	5.4

Net order intake, number of trucks	52,974	56,349	108,120	117,394
Net order intake, number of construction equipment	17,343	22,285	36,584	39,955

VOLVO

CEO'S COMMENTS

Growth in mature markets while emerging markets declined



When we summarize the market development for the second quarter and begin with the Truck operation, we can conclude that our business in North America and Japan had positive trends in market shares, volumes and capacity utilization.

Following the weak first quarter, the European market recovered gradually during the second quarter, but the improvement started somewhat later than we had anticipated. This resulted in us having a certain amount of overcapacity in production, which had a negative impact on earnings. Toward the end of the quarter the order intake increased and the fill-rate in our plants has improved ahead of the fall. Our new truck models from Volvo and Renault Trucks have been very well received in all the markets in which they were introduced. Market shares for Volvo have had a positive development and are at historical high levels. Market shares for Renault Trucks have declined slightly, primarily due to the fact that we are currently switching generation to the new truck range and a weak total market in France. With a highly focused effort by the sales organization, the order intake for Renault Trucks recovered at the end of the quarter and thus the fill-rate in our plants has improved ahead of the fall, although we have some way to go before reaching the levels we have planned for. Altogether we have had a positive price and margin development in the European market and the improvement is mainly attributable to the Volvo brand.

During the quarter, the Brazilian market developed as we anticipated, with lower order intake and sales. In the quarter, we focused on adapting the entire Brazilian system to lower demand and consequently, we reduced production by using stop days and also reduced our own inventory of trucks and at dealerships in order to be in balance with current demand. The price pressure in the Brazilian market has increased, which has meant that our price increases have not been able to fully compen-

sate for the high level of cost inflation in the country. All in all, this has a significantly negative impact on earnings in the Brazilian truck operations compared with the year-earlier period. However, history shows that it is necessary to act quickly when we see a decline in the market. It is also important to emphasize that we have now nearly completed the adaptation to a lower, but historically still good, total market. Brazil remains a very important and profitable market for us and it is good to see that we are continuing to increase our market shares.

With respect to Construction Equipment, the second quarter has been characterized by a considerable decline in the Chinese market, which has meant that we have had to adapt the operation to a lower level. The decline has been rapid and accelerated during the quarter and we have acted quickly to ensure that production and inventory levels as soon as possible are being balanced with demand. The lower sales and the work to adapt production volumes had a considerable negative impact on our profitability. We believe that it will take several quarters before the capacity and inventory in the industry is in balance with demand in China. Despite the decline, China will be the world's largest market for construction equipment for a long time in the future. It is also one of our most profitable markets and this is why it is vital to maintain our position with Volvo and SDLG as a joint number one in the market.

The European and North American markets continued to expand during the quarter and we are strengthening our positions in these markets with our new products. Volvo CE's other markets remain at low levels.

Production of construction equipment in the European and American system had the expected capacity utilization during the quarter. Production in China and other BRIC countries was reduced further due to the weak markets, with resulting low capacity utilization, which had a negative impact on Volvo CE's earnings.

With the closing of the second quarter, we are halfway in the strategy program that will continue until the end of 2015 and which shall increase the Volvo Group's profitability. The program is progressing according to plan and we are beginning to see positive effects from all the decisions we made in 2012 and 2013. We are slightly ahead of plan with respect to our objective of increasing the gross margin on our trucks through improved price realization, while we will strengthen our focus on lowering our operating costs. The measures we are implementing to reduce our manufacturing and material costs, including the optimization of our truck production in Europe, will primarily gain effect during 2015 as planned. For example, during the quarter we consolidated the production of medium-duty trucks in Europe from two to one plant.

An important part of our strategy is the efficiency program, which we launched last year. The program is progressing according to plan, and by the end of the second quarter we have reduced the number of white-collar employees by 1,200 since it was started last fall. During the quarter, the Swedish voluntary leave program was completed and more than 500 regular white-collar employees will leave the Group toward the end of the third quarter. We have also signed an agreement with the French trade unions and are following the plan with respect to reducing the number of white-collar employees in France as well. The goal that most of the 4,400 employees concerned shall have left the Group by the end of 2014 remains.

With all the activities and measures that are currently being implemented, we feel confident that we will achieve the SEK 9 billion in earnings improvement by the end of 2015 that has been previously announced.

Olof Persson
President and CEO

FINANCIAL SUMMARY OF THE SECOND QUARTER

Net sales on the same level as last year

In the second quarter, net sales for the Volvo Group amounted to SEK 72,601 M (72,756). Adjusted for changes in currency exchange rates net sales decreased by 1%. Sales increased in Europe and North America whereas they decreased in South America and Asia.

Operating income of SEK 4.3 billion excluding restructuring charges

In the second quarter of 2014 the Volvo Group's operating income excluding restructuring charges amounted to SEK 4,325 M compared with SEK 3,279 M in the second quarter of 2013. Restructuring charges amounted to SEK 762 M (16). The operating margin excluding restructuring charges was 6.0% (4.5).

The increased operating income was primarily driven by a capital gain from the divestiture of commercial real estate amounting to SEK 815 M, a release of a provision related to the divestiture of Volvo Rents amounting to SEK 226 M, significantly lower warranty costs, as last year's earnings were negatively impacted by an increase in the warranty reserve of SEK 900 M, as well as improved price realization on new products in Europe. Of the SEK 815 M in capital gain, SEK 751 M is reported in Corporate and Group functions and SEK 64 M in the Trucks segment. The release of the provision is reported in Corporate and Group functions.

Operating income was negatively impacted by adverse market mix, with significant sales declines in Brazil and China, as well as higher research and development costs in an amount of SEK 684 M. The year-over-year impact of moving from net capitalization of research and development costs in the second quarter of 2013 to net amortization in the second quarter of 2014 amounted to SEK 760 M. Cash spend in research and development was reduced by SEK 76 M compared to the second quarter of 2013. Compared with the second quarter

Consolidated income statement, Volvo Group

SEK M	Second quarter		First six months	
	2014	2013	2014	2013
Net sales	72,601	72,756	138,247	131,100
Cost of Sales	(56,451)	(56,876)	(107,139)	(102,703)
Gross income	16,150	15,880	31,109	28,397
Research and development expenses	(4,280)	(3,596)	(8,417)	(7,222)
Selling expenses	(7,008)	(7,373)	(13,654)	(14,162)
Administrative expenses	(1,369)	(1,491)	(2,748)	(2,796)
Other operating income and expenses	64	(153)	(492)	(490)
Income (loss) from investments in joint ventures and associated companies	(0)	(6)	20	36
Income from other investments	6	1	14	(19)
Operating income	3,563	3,262	5,833	3,744
Interest income and similar credits	78	101	167	199
Interest expense and similar charges	(465)	(712)	(999)	(1,270)
Other financial income and expenses	187	229	90	106
Income after financial items	3,364	2,880	5,091	2,779
Income taxes	(830)	(795)	(1,416)	(942)
Income for the period*	2,534	2,086	3,675	1,838
*Attributable to:				
Equity holders of the parent company	2,472	2,015	3,556	1,711
Minority interests	62	71	119	127
	2,534	2,086	3,675	1,838
Basic earnings per share, SEK	1.22	0.99	1.75	0.84
Diluted earnings per share, SEK	1.22	0.99	1.75	0.84

Net sales by market area

SEK M	Second quarter			First six months		
	2014	2013	Change in %	2014	2013	Change in %
Western Europe	22,737	22,000	3	42,653	40,181	6
Eastern Europe	5,201	4,645	12	9,526	8,653	10
North America	18,927	17,444	9	35,295	30,192	17
South America	6,716	8,024	(16)	13,355	14,688	(9)
Asia	13,255	14,908	(11)	27,106	27,349	(1)
Other markets	5,767	5,734	1	10,312	10,038	3
Volvo Group	72,601	72,756	0	138,247	131,100	5

of 2013 operating income was negatively impacted by currency exchange rate movements amounting to SEK 176 M.

In the second quarter of 2013, operating income in the truck segment was positively impacted by a divestiture of non-core operations of SEK 99 M and Volvo Penta's operating income was positively impacted by SEK 81 M from non-recurring items.

Net financial items

Net interest expense in the second quarter decreased due to decreased financial liabilities and lower interest rates on outstanding debt and amounted to SEK 387 M (611). Net interest expense in the first quarter of 2014 amounted to SEK 445 M.

Income taxes

The tax expense in the second quarter amounted to SEK 830 M (795), corresponding to a tax rate of 25% (28).

Income for the period and earnings per share

Income for the period amounted to SEK 2,534 M in the second quarter of 2014 compared with SEK 2,086 M in the second quarter of 2013.

Diluted earnings per share in the second quarter amounted to SEK 1.22 compared with SEK 0.99 in the second quarter of 2013.

Cash flow of SEK 4 billion in the Industrial Operations

In the second quarter of 2014, operating cash flow in the Industrial Operations amounted to SEK 4.0 billion (4.1) as a result of the operating income of SEK 3.2 billion and an improvement in working capital of SEK 0.7 billion.

Volvo Group financial position

Net financial debt, excluding provision for post-employment benefits, in the Industrial Operations amounted to SEK 24.3 billion, equal to 35.5 % of shareholders equity, by the end of the second quarter which is an increase by SEK 2.7 billion compared to the end of first quarter. The increase is mainly an effect of dividend paid, negative currency effects and the acquisition of Terex hauler business, partly reduced by positive operating cash flow and the effect on financial debt from the divestment of commercial real estate. Including post-employment benefits the Industrial operations net debt amounted

to SEK 37.8 billion, which is equal to 55.1% of shareholders equity.

During the second quarter, currency movements increased the Volvo Group's total assets by SEK 11.8 billion related to revaluation of assets in foreign subsidiaries.

At the end of the second quarter the shareholder's equity for the Volvo Group amounted to SEK 77.8 billion compared to SEK 77.4 billion at year-end 2013. The equity ratio was 22.2% compared to 22.4% on December 31, 2013. On the same date, the equity ratio in the Industrial Operations amounted to 27.2% (27.0).

Number of employees

On June 30, 2014 the Volvo Group had 94,228 regular employees and 14,419 temporary employees and consultants, compared with 95,533 regular employees and 14,794 temporary employees and consultants at year-end 2013. The divestment of Volvo Rents reduced the number of regular employees by 2,166, while the acquisition of the hauler business from Terex added 433 regular employees. The number of white-collar employees has been reduced, while the number of blue-collar employees has increased, which is volume-related.



SEGMENT OVERVIEW

Net sales

	Second quarter				First six months		12 months rolling values	Jan-Dec 2013
SEK M	2014	2013	Change in %	Change in %*	2014	2013		
Trucks	48,179	46,234	4	4	92,024	83,265	187,233	178,474
Construction Equipment	14,624	16,019	(9)	(10)	27,996	28,154	53,279	53,437
Buses	4,775	4,008	19	18	8,142	7,490	17,358	16,707
Volvo Penta	2,002	2,159	(7)	(9)	3,806	3,998	7,358	7,550
Corporate Functions, Group Functions & Other	1,910	3,170	-	-	4,115	5,724	10,802	12,410
Eliminations	(589)	(760)	-	-	(1,060)	(1,422)	(2,796)	(3,158)
Industrial operations	70,899	70,830	0	0	135,023	127,210	273,233	265,420
Customer Finance	2,468	2,385	3	2	4,819	4,736	9,620	9,539
Reclassifications and eliminations	(766)	(459)	-	-	(1,594)	(846)	(3,084)	(2,337)
Volvo Group	72,601	72,756	0	(1)	138,247	131,100	279,769	272,622

* Adjusted for exchange rate fluctuations and acquired and divested units.

Operating income excl. restructuring charges

	Second quarter			First six months		12 months rolling values	Jan-Dec 2013
SEK M	2014	2013	Change in %	2014	2013		
Trucks	2,173	1,851	17	3,971	1,966	8,829	6,824
Construction Equipment	751	1,324	(43)	1,399	1,824	2,167	2,592
Buses	70	11	536	106	(77)	(8)	(190)
Volvo Penta	235	290	(19)	386	390	622	626
Corporate Functions, Group Functions & Other	688	(617)	-	96	(1,133)	(2,341)	(3,570)
Eliminations	12	3	-	164	7	205	49
Industrial operations	3,928	2,862	37	6,120	2,977	9,475	6,332
Customer Finance	397	416	(5)	793	797	1,518	1,522
Volvo Group excl. restructuring charges	4,325	3,279	32	6,913	3,774	10,992	7,854

Restructuring charges

Trucks	(370)	(16)		(688)	(30)	(1,337)	(679)
Construction Equipment	(1)	0		(1)	0	(1)	0
Buses	(6)	0		(6)	0	(6)	0
Volvo Penta	(5)	0		(5)	0	(5)	0
Corporate Functions, Group Functions & Other	(376)	0		(377)	0	(413)	(36)
Industrial operations	(758)	(16)		(1,076)	(30)	(1,762)	(715)
Customer Finance	(4)	0		(4)	0	(4)	0
Volvo Group restructuring charges	(762)	(16)		(1,080)	(30)	(1,766)	(715)
Volvo Group	3,563	3,262		5,833	3,744	9,226	7,138

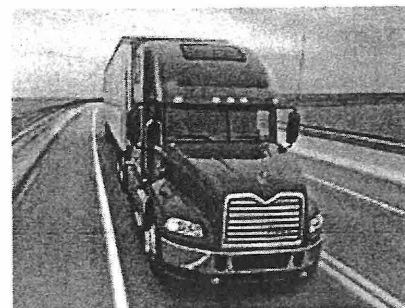
Operating margin excl. restructuring charges

	Second quarter		First six months		12 months rolling values	Jan-Dec 2013
%	2014	2013	2014	2013		
Trucks	4.5	4.0	4.3	2.4	4.7	3.8
Construction Equipment	5.1	8.3	5.0	6.5	4.1	4.9
Buses	1.5	0.3	1.3	(1.0)	0.0	(1.1)
Volvo Penta	11.7	13.4	10.1	9.8	8.5	8.3
Industrial operations	5.5	4.0	4.5	2.3	3.5	2.4
Volvo Group excl. restructuring charges	6.0	4.5	5.0	2.9	3.9	2.9
Volvo Group	4.9	4.5	4.2	2.9	3.3	2.6

TRUCKS

Unfavorable market mix

- » Strong demand in North America and Japan, weakening market in Brazil
- » Order intake declined by 6% compared to last year
- » Operating margin excluding restructuring charges amounted to 4.5% (4.0)



Demand improving in North America, Japan and parts of Europe but weakening in Brazil

During the second quarter demand developed favorably in North America, Japan and parts of Europe, while demand in South America and parts of Asia continued to decline.

In the first six months of 2014, demand in Europe has gradually improved following the transition to the new emission standard, Euro 6, which became effective in January 2014. Markets like Germany, UK and Spain are developing favorably, while France is relatively weak. Demand in Russia has been affected by the political turmoil in the region. Through May registrations of heavy-duty trucks in Europe showed an increase of 7% compared with the corresponding period in 2013. We maintain our forecast for the heavy-duty truck market in Europe for 2014.

Through June, the total North American retail market for heavy-duty trucks increased 10% to 122,989 vehicles. Customer confidence in the U.S. economy continued to grow, as did freight demand and construction activity. We maintain our forecast for the heavy-duty truck market in North America for 2014.

Through June, the Brazilian market for heavy-duty trucks decreased by 8% to 45,309 vehicles compared with 2013. The South American market was affected by lower GDP growth and business activity across the continent, particularly in Brazil where customers are also cautious ahead of the upcoming presidential elections. The decline in Brazil is in line with expectations and we maintain our outlook for the total Brazilian market for 2014.

The total market in Japan continued to increase in the second quarter as a result of an improving Japanese economy with good GDP-growth. We maintain our forecast for the total Japanese market for heavy-duty trucks 2014.

Total market development

Registrations, number of trucks	First six months			Forecast 2014	Change vs. previous forecast
	2014	2013	Change in %		
Europe 30* heavy-duty (through May)	90,757	85,104	7	230,000	Unchanged
North America heavy-duty	122,989	111,833	10	260,000	Unchanged
Brazil heavy-duty	45,309	49,344	(8)	90,000	Unchanged
China heavy-duty (through April)	293,302	253,677	16	700,000	Unchanged
China medium-duty (through April)	97,585	105,914	(8)	280,000	Unchanged
India heavy-duty (through May)	60,750	64,442	(6)	120,000	Unchanged
India medium-duty (through May)	25,939	38,123	(32)	64,000	Unchanged
Japan heavy-duty	20,607	15,477	33	38,000	Unchanged
Japan medium-duty	17,290	14,459	20	42,000	Unchanged

* EU minus Bulgaria plus Norway and Switzerland

Net order intake per market

Number of trucks	Second quarter		Change in %	First six months		Change in %
	2014	2013		2014	2013	
Europe	22,245	24,350	(9)	41,493	50,203	(17)
Volvo	12,301	14,051	(12)	22,527	30,051	(25)
Renault Trucks	9,944	10,299	(3)	18,966	20,152	(6)
North America	12,953	11,165	16	29,320	24,601	19
Volvo	8,267	6,809	21	17,697	15,114	17
Mack	4,626	4,260	9	11,471	9,184	25
South America	4,953	8,495	(42)	11,228	17,520	(36)
Asia	9,012	8,517	6	17,570	16,626	6
Other markets	3,811	3,822	0	8,509	8,444	1
Total Trucks	52,974	56,349	(6)	108,120	117,394	(8)
Non-consolidated operations						
VECV/Eicher (100%)	7,502	7,526	0	15,353	17,661	(13)
DVT (100%)	26	79	(67)	45	125	(64)
Total volumes	60,502	63,954	(5)	123,518	135,180	(9)

Truck order intake at 53,000

- book-to-bill of 100%

The total net orders declined by 6% in the second quarter compared with the year-earlier period. Net orders of 52,974 trucks and deliveries of 53,223 trucks resulted in a book-to-bill ratio of 100% for the Group's wholly-owned operations.

Orders posted large regional differences in the quarter, where orders in North America continued to improve with an increase of 16% while orders in Europe declined by 9%

compared to the very strong order intake in the same period last year ahead of the introduction of the new Euro 6 emission regulation. Compared with the first quarter of 2014 orders in Europe increased by 16% in the second quarter. Renault Trucks was favorably impacted by an increased number of orders for light-duty trucks while orders for heavy-duty and medium-duty trucks declined by 16% in Europe compared with the second quarter of 2013.

Orders in South America declined to 4,953 trucks, down by 42% compared with the second quarter of last year, which was positively impacted by strong order intake ahead of an increase in Finame rates on July 1, 2013. Compared with the second quarter of 2013 orders in Asia increased by 6%, mainly as a result of higher demand in Japan. In Asia, the roll-out of the new Volvo program has continued and the reception has been very positive. In May, the new UD Quon heavy-duty truck was launched in Japan. The new UD Quon has considerably lower fuel consumption and improved drivability and strengthens our competitiveness in Japan.

Deliveries rose by 2% in the second quarter

In the second quarter of 2014, the Volvo Group delivered a total of 53,223 trucks, which was 2% more than in the second quarter of 2013 and 11% more than in the first quarter of 2014.

Operating margin of 4.5% excluding restructuring charges

During the second quarter of 2014, the truck operation's net sales amounted to SEK 48,179 M, which was 4% higher than in the second quarter of 2013. Adjusted for changes in exchange rates net sales increased by 4%. The truck operations reported an operating income of SEK 2,173 M (1,851) in the second quarter, excluding charges of SEK 370 M (16) related to the Group-wide efficiency program. The operating margin excluding restructuring charges was 4.5% (4.0).

Deliveries per market	Second quarter		Change in %	First six months		Change in %
	2014	2013		2014	2013	
Number of trucks						
Europe	18,806	19,700	(5)	35,394	34,916	1
North America	14,983	13,203	13	27,984	20,910	34
South America	5,998	7,744	(23)	12,443	13,785	(10)
Asia	8,637	7,073	22	16,863	13,083	29
Other markets	4,799	4,264	13	8,384	7,706	9
Total Trucks	53,223	51,984	2	101,068	90,400	12
Non-consolidated operations						
VECV/Eicher (100%)	7,609	7,494	2	15,276	17,589	(13)
DVT (100%)	20	81	(75)	29	135	(79)
Total volumes	60,852	59,559	2	116,373	108,124	8

Net sales by market area	Second quarter		Change in %	First six months		Change in %
	2014	2013		2014	2013	
SEK M						
Europe	18,276	17,855	2	35,367	32,701	8
North America	13,275	11,568	15	24,894	19,318	29
South America	5,042	6,416	(21)	9,950	11,572	(14)
Asia	7,363	6,594	12	14,350	12,802	12
Other markets	4,223	3,800	11	7,463	6,873	9
Total	48,179	46,234	4	92,024	83,265	11

The improvement was mainly due to significantly lower warranty costs as last year's earnings were negatively impacted by an increase in the warranty reserve of SEK 900 M. The earnings were also favorably impacted by positive price realization and lower launch costs for new product ranges in Europe as well as SEK 64 M from the divestment of commercial real estate. Earnings were negatively impacted by higher research and development costs in an amount of SEK 696 M, as an effect of reduced capitalization compared with the second quarter of 2013. The year-over-year impact of moving from net capitalization in the second quarter of 2013 to net amortization in the second quarter of

2014 amounted to SEK 725 M. Cash spend in research and development was reduced by SEK 29 M compared to the second quarter of 2013. Operating income was also negatively impacted by unfavorable market mix, with lower sales in Brazil, where the price pressure in the market has increased, which has meant that our price increases have not been able to fully compensate for the high level of cost inflation in the country. Changes in currency exchange rates had a negative impact on operating income of SEK 139 M compared to the second quarter 2013. In the second quarter of 2013, operating income was positively impacted by a divestiture of non-core operations of SEK 99 M.



CONSTRUCTION EQUIPMENT

Weak second quarter earnings

- » Sales and earnings down
- » The Chinese market in decline
- » Market growth in North America and Europe



Decline in demand in China

Until May 2014 the European market grew by 11% with growth coming mainly from Western Europe while the Russian market declined. The North American market grew by 7%, driven by all types of equipment.

The decrease in South America, down 13%, was mainly caused by Brazil, after a majority of large governmental deals has been delivered, as well as lower economic activity overall. The total Asian market, excluding China, was 2% below 2013 after a continued decline in India and Southeast Asia.

The Chinese market started to decline in March and demand for wheel loaders and excavators weakened further during the second quarter, which was 19% below last year. This is mainly caused by low machinery utilization, reduced access to financing for dealers and customers as well as reduced governmental stimulus.

Order intake down 22%, with higher share of compact equipment

In the second quarter of 2014 order intake was 22% lower than in the same quarter of 2013, mainly because of lower demand in Asia and South America.

In Europe order intake in the second quarter was below last year when compared with the high order intake in the second quarter of 2013. For the first six months of 2014 order intake was 6% higher than in 2013. The moderate growth was driven by both market growth and a targeted sales program for compact equipment.

From a low level in the second quarter of 2013 order intake grew considerably in North America driven by market growth and by good order intake on articulated haulers and excavators. In South America order intake was below last year because of reduced market demand with reduced order intake on wheel

Total market development		Year-to-date May		
Change in % measured in units		2014	Forecast 2014	Previous forecast
Europe		11	0% to 10%	0% to 10%
North America		7	0% to 10%	0% to 10%
South America		(13)	-15% to -5%	-10% to 0%
Asia excl. China		(2)	-10% to 0%	-10% to 0%
China		(6)	-20% to -10%	-5% to 5%

Net order intake per market

	Second quarter		Change in %	First six months		Change in %
	2014	2013		2014	2013	
Number of machines						
Europe	3,875	4,213	(8)	7,928	7,469	6
North America	2,120	1,343	58	4,215	3,006	40
South America	774	910	(15)	1,726	1,742	(1)
Asia	9,951	14,848	(33)	21,260	25,709	(17)
Other markets	623	971	(36)	1,455	2,029	(28)
Total orders	17,343	22,285	(22)	36,584	39,955	(8)
Of which:						
Volvo	9,086	11,365	(20)	20,833	21,952	(5)
SDLG	8,257	10,920	(24)	15,751	18,003	(14)
Of which in China	6,772	9,227	(27)	13,249	15,282	(13)

Deliveries per market

	Second quarter		Change in %	First six months		Change in %
	2014	2013		2014	2013	
Number of machines						
Europe	4,623	4,169	11	8,010	6,979	15
North America	2,181	1,553	40	3,663	2,644	39
South America	872	983	(11)	1,649	1,716	(4)
Asia	9,994	14,616	(32)	21,348	25,255	(15)
Other markets	732	1,090	(33)	1,491	1,766	(16)
Total deliveries	18,402	22,411	(18)	36,161	38,360	(6)
Of which:						
Volvo	10,283	11,511	(11)	20,538	20,377	1
SDLG	8,119	10,900	(26)	15,623	17,983	(14)
Of which in China	6,761	9,227	(27)	13,238	15,282	(13)

loaders for both Volvo and SDLG. After a weak 2013, orders for compact equipment increased.

Order intake in Asia was significantly below last year mainly driven by the slowdown in China. In the rest of Asia order intake continued to be low given continued low demand in India and Southeast Asia.

Deliveries down 18%

In the second quarter of 2014, deliveries decreased by 18% compared to last year, mainly driven by lower demand in emerging markets. Deliveries increased in Europe, mainly driven by market growth in Germany, the U.K. and France due to targeted programs focusing on compact equipment. In

North America the growth was mainly driven by increased construction activity and low deliveries last year.

In emerging markets there was a considerable decrease in deliveries, mainly driven by a rapid slowdown in the Chinese market. Demand in China is expected to continue to be weak for several quarters. Conditions in China with too high inventories after the slow spring season are putting pressure on liquidity for both dealers and customers, negatively impacting the deliveries of both Volvo and SDLG machines.

Sales and earnings down

In the second quarter of 2014, net sales decreased by 9% to SEK 14,624 M (16,019). Adjusted for currency movements net sales decreased by 10%. Operating income decreased to SEK 751 M (1,324) excluding restructuring charges of SEK 1 M (0) and the operating margin was 5.1% (8.3).

Net sales by market area	Second quarter		Change in %	First six months		Change in %
	2014	2013		2014	2013	
SEK M						
Europe	5,144	4,617	11	8,842	8,096	9
North America	2,943	2,349	25	5,318	4,314	23
South America	834	910	(8)	1,520	1,659	(8)
Asia	4,861	7,009	(31)	10,782	12,308	(12)
Other markets	843	1,134	(26)	1,535	1,778	(13)
Total	14,624	16,019	(9)	27,996	28,154	(1)

Earnings were negatively impacted by lower sales, low capacity utilization in the industrial system and a negative market mix with decreasing demand in China combined with lower gross profit margins. Furthermore, demand from the mining industry is still on a low level and demand for less profitable compact equipment is relatively higher. Operating income was also impacted by costs of SEK 51 M relating to the reduction of the breakeven level in the Swedish industrial system, which are not included in

the restructuring charges. The acquisition of the hauler business from Terex had no substantial impact on sales or earnings in the second quarter. Compared with the second quarter of 2013, changes in currency exchange rates had a negative impact on operating income of SEK 208 M.

BUSES

Improved earnings in a slowly recovering market

- » Operating income of SEK 70 M excluding restructuring charges
- » Deliveries increased by 7%
- » Order intake up by 3%



The global bus market is slowly recovering from historically low levels. In Europe the total market has been slightly up during the first four months of the year. The Asian markets show growth, but from low levels. In South America, the development of the Brazilian city bus market remains weak, while the coach segment is gradually recovering. There is a clear trend towards electro mobility, with large interest in hybrid technologies for public transport in South America. In North America, the trend for the coach and transit market is somewhat positive.

Volvo Buses delivered 2,194 buses during the second quarter 2014, compared to 2,050 units in the second quarter of 2013, an increase of 7%. Deliveries in South America increased by 20%. European deliveries were up by 33%, while Asia decreased

Net sales by market area	Second quarter		Change in %	First six months		Change in %
	2014	2013		2014	2013	
SEK M						
Europe	1,912	1,387	38	2,897	2,694	8
North America	1,544	1,278	21	2,613	2,402	9
South America	479	391	23	1,187	824	44
Asia	443	535	(17)	858	899	(5)
Other markets	396	417	(5)	587	671	(13)
Total	4,775	4,008	19	8,142	7,490	9

by 35%. Order intake in the second quarter totaled 2,403 buses, which was 3% higher than last year.

Net sales in the second quarter increased by 19% to SEK 4,775 M (4,008). Adjusted for currency fluctuations, sales increased by 18%. Buses reported an operating income of SEK 70 M (11) excluding restructuring charges of SEK 6 M (0). The operating mar-

gin excluding restructuring charges was 1.5% (0.3). The earnings increase is an effect of an improved aftermarket business and higher volumes, which were partially offset by production disturbances and negative product mix. Compared to the second quarter of 2013, operating income was positively impacted by currency exchange rates in an amount of SEK 30 M.

VOLVO PENTA

Gaining new customers

- » Continued weak market conditions
- » Lower sales but continued good profitability
- » Good inflow of new customers for industrial engines



The marine and industrial engine markets where Volvo Penta operates are all at relatively low levels. Europe shows early signs of recovery while emerging markets, especially China, continue to struggle. Volvo Penta has seen a good inflow of new agreements with customers in the industrial engine segment. Customers are now in the process of extensive testing. The volume in the total order book at June 30, 2014 was 5,099 units (5,563).

Net sales in the second quarter of 2014 decreased by 7% compared to last year and amounted to SEK 2,002 M (2,159). Adjusted for exchange-rate fluctuations, net sales decreased by 9%. Sales in the second quar-

Net sales by market area

SEK M	Second quarter		Change in %	First six months		Change in %
	2014	2013		2014	2013	
Europe	1,036	1,016	2	1,985	1,951	2
North America	415	469	(12)	719	830	(13)
South America	63	56	13	161	123	31
Asia	390	524	(26)	761	906	(16)
Other markets	98	94	4	180	188	(4)
Total	2,002	2,159	(7)	3,806	3,998	(5)

ter were distributed between business segments as follows: Marine SEK 1,142 M (1,169) and Industrial SEK 860 M (990).

Operating income amounted to SEK 235 M (290) excluding restructuring charges of SEK 5 M (0). The operating income in the preceding year included a positive effect

from non-recurring items of SEK 81 M. The operating margin was 11.7% (13.4). Earnings were positively impacted by a favorable market and product mix. Compared with the second quarter of 2013, operating income was impacted positively by changes in currency exchange rates by an amount of SEK 31 M.

VOLVO GROUP'S CUSTOMER FINANCE

Portfolio growth

- » Strong volumes
- » Efficiency improvement
- » Stable earnings



The customer finance business continued to show good growth during the second quarter driven primarily by higher new business volume in Europe and North America.

Financing penetration of new Volvo Group deliveries improved slightly during the period despite signs of increasing competition in some key markets.

The gross credit portfolio increased, on a currency-adjusted basis, by 1.4% when compared to the second quarter of 2013. Portfolio performance and credit reserves remained stable during the quarter.

Operating income amounted to SEK 397 M (416) excluding restructuring charges of SEK 4 M (0). The positive impacts from growth and overall improvements in customer repayment

Kundfinansiering

SEK M	Second quarter		First six months	
	2014	2013	2014	2013
Number of financed units	13,992	12,693	25,844	22,763
Total penetration rate ¹ , %	27	26	27	27
New financing volume, SEK billion	13.9	11.7	24.9	20.8
Credit portfolio net, SEK billion	-	-	106	102
Credit provision expenses, SEK M	227	224	422	385
Operating income, excl. restructuring charges, SEK M	397	416	793	797
Credit reserves, % of credit portfolio	-	-	1.34	1.34
Return on shareholders' equity, rolling 12 months, %	-	-	10.9	13.2

¹ Share of unit sales financed by Volvo Financial Services in relation to the total number of units sold by the Volvo Group in markets where financial services are offered.

adjustments unrelated to portfolio performance.

During the quarter, Volvo Financial Services syndicated approximately SEK 3.5 bil-

markets, including SEK 2.0 billion in Brazil, to support risk diversification and funding strategies.

IMPORTANT EVENTS

Volvo Construction Equipment finalizes acquisition of hauler business from Terex

On May 30, 2014 the previously announced acquisition of Terex's hauler business was completed. The purchase consideration amounted to USD 160 M (approx. SEK 1 billion) on a cash and debt-free basis. The deal includes the main production facility in Motherwell, Scotland and two product ranges that offer both rigid and articulated haulers. It also includes the distribution of haulers in the U.S. as well as a 25.2% holding in Inner Mongolia North Hauler Joint Stock Co. (NHL), which manufactures and sells rigid haulers under the Terex brand in China. In 2013, the acquired businesses (excluding NHL) had net sales of approximately USD 228 M (approx. SEK 1.5 billion) and an operating income of approximately USD 9.5 M (approx. SEK 60 M).

Volvo Group signs EUR 3.5 billion revolving credit facilities

On July 1, the Volvo Group through its subsidiary Volvo Treasury AB signed new credit facilities of EUR 3.5 billion. The new facilities replace the company's existing EUR 2,000 M and EUR 1,200 M revolving credit facilities signed in 2011 and 2012. The new facilities consist of one facility amounting to EUR 2,300 M with a tenor of five years and a second one amounting to EUR 1,200 M with a tenor of three years. Both have one plus one year extension options.

Previously reported important events

- Chinese authority approves joint venture between the Volvo Group and Dongfeng Motor Group
- Divestiture of Volvo Rents completed
- Volvo Group divests commercial real estate
- Annual General Meeting of AB Volvo

Detailed information about the events is available at www.volvogroup.com

CONSOLIDATED INCOME STATEMENT SECOND QUARTER

	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
SEK M	2014	2013	2014	2013	2014	2013	2014	2013
Net sales	70,899	70,830	2,468	2,386	(766)	(459)	72,601	72,756
Cost of Sales	(55,774)	(55,943)	(1,443)	(1,393)	766	459	(56,451)	(56,876)
Gross income	15,125	14,887	1,025	993	0	0	16,150	15,880
Research and development expenses	(4,280)	(3,596)	0	0	0	0	(4,280)	(3,596)
Selling expenses	(6,575)	(6,981)	(433)	(392)	0	0	(7,008)	(7,373)
Administrative expenses	(1,359)	(1,482)	(10)	(9)	0	0	(1,369)	(1,491)
Other operating income and expenses	254	23	(190)	(177)	0	0	64	(153)
Income (loss) from investments in joint ventures and associated companies	0	(6)	0	0	0	0	0	(6)
Income from other investments	5	1	1	1	0	0	6	1
Operating income	3,170	2,846	393	416	0	0	3,563	3,262
Interest income and similar credits	78	101	0	0	0	0	78	101
Interest expense and similar charges	(465)	(712)	0	0	0	0	(465)	(712)
Other financial income and expenses	187	229	0	0	0	0	187	229
Income after financial items	2,970	2,463	393	416	0	0	3,364	2,880
Income taxes	(673)	(677)	(157)	(118)	0	0	(830)	(795)
Income for the period*	2,297	1,786	236	298	0	0	2,534	2,086
*Attributable to:								
Equity holders of the parent company							2,472	2,015
Minority interests							62	71
							2,534	2,086
Basic earnings per share, SEK							1.22	0.99
Diluted earnings per share, SEK							1.22	0.99
Key operating ratios, %								
Gross margin	21.3	21.0	-	-	-	-	22.2	21.8
Research and development expenses in % of net sales	6.0	5.1	-	-	-	-	5.9	4.9
Selling expenses in % of net sales	9.3	9.9	-	-	-	-	9.7	10.1
Administrative expenses in % of net sales	1.9	2.1	-	-	-	-	1.9	2.0
Operating margin	4.5	4.0	-	-	-	-	4.9	4.5

CONSOLIDATED OTHER COMPREHENSIVE INCOME SECOND QUARTER

SEK M	2014	2013
Income for the period	2,534	2,086
<i>Items that will not be reclassified to income statement:</i>		
Remeasurements of defined benefit pension plans	(329)	1,753
<i>Items that may be reclassified subsequently to income statement:</i>		
Exchange differences on translation of foreign operations	2,748	1,048
Share of OCI related to joint ventures and associated companies	37	(137)
Exchange differences on hedge instruments of net investment in foreign operations	0	0
Accumulated translation difference reversed to income	11	0
Available for sale investments	583	139
Cash flow hedges	24	(5)
Other comprehensive income, net of income taxes	3,074	2,798
Total comprehensive income for the period*	5,608	4,884
*Attributable to:		
Equity holders of the parent company	5,491	4,751
Minority interests	117	133
	5,608	4,884

CONSOLIDATED INCOME STATEMENT FIRST SIX MONTHS

SEK M	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Net sales	135,023	127,210	4,819	4,736	(1,594)	(846)	138,247	131,100
Cost of Sales	(105,916)	(100,743)	(2,817)	(2,806)	1,594	846	(107,139)	(102,703)
Gross income	29,107	26,467	2,002	1,930	0	0	31,109	28,397
Research and development expenses	(8,417)	(7,222)	0	0	0	0	(8,417)	(7,222)
Selling expenses	(12,831)	(13,376)	(822)	(786)	0	0	(13,654)	(14,162)
Administrative expenses	(2,728)	(2,777)	(20)	(19)	0	0	(2,748)	(2,796)
Other operating income and expenses	(120)	(161)	(371)	(330)	0	0	(492)	(490)
Income (loss) from investments in joint ventures and associated companies	20	36	0	0	0	0	20	36
Income from other investments	14	(19)	0	1	0	0	14	(19)
Operating income	5,044	2,947	788	797	0	0	5,833	3,744
Interest income and similar credits	167	199	0	0	0	0	167	199
Interest expense and similar charges	(999)	(1,270)	0	0	0	0	(999)	(1,270)
Other financial income and expenses	90	106	0	0	0	0	90	106
Income after financial items	4,302	1,982	788	797	0	0	5,091	2,779
Income taxes	(1,103)	(712)	(313)	(230)	0	0	(1,416)	(942)
Income for the period*	3,199	1,270	475	567	0	0	3,675	1,838

*Attributable to:

Equity holders of the parent company	3,556	1,711
Minority interests	119	127
	3,675	1,838
Basic earnings per share, SEK	1.75	0.84
Diluted earnings per share, SEK	1.75	0.84

Key operating ratios, Volvo Group

Gross margin, %	21.6	20.8	-	-	-	-	22.5	21.7
Research and development expenses in % of net sales	6.2	5.7	-	-	-	-	6.1	5.5
Selling expenses in % of net sales	9.5	10.5	-	-	-	-	9.9	10.8
Administrative expenses in % of net sales	2.0	2.2	-	-	-	-	2.0	2.1
Operating margin, %	3.7	2.3	-	-	-	-	4.2	2.9

CONSOLIDATED OTHER COMPREHENSIVE INCOME FIRST SIX MONTHS

SEK M	2014	2013
Income for the period	3,675	1,838

Items that will not be reclassified to income statement:

Remeasurements of defined benefit pension plans	(808)	2,421
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Items that may be reclassified subsequently to income statement:

Exchange differences on translation of foreign operations	2,709	(387)
Share of OCI related to joint ventures and associated companies	59	(123)
Exchange differences on hedge instruments of net investment in foreign operations	0	0
Accumulated translation difference reversed to income	23	0
Available for sale investments	861	116
Cash flow hedges	16	4
Other comprehensive income, net of income taxes	2,860	2,031
Total comprehensive income for the period*	6,535	3,869

*Attributable to:

Equity holders of the parent company	6,416	3,679
Minority interests	119	190
	6,535	3,869

CONSOLIDATED BALANCE SHEET

	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
SEK M	Jun 30 2014	Dec 31 2013	Jun 30 2014	Dec 31 2013	Jun 30 2014	Dec 31 2013	Jun 30 2014	Dec 31 2013
Assets								
Non-current assets								
Intangible assets	37,204	36,479	103	109	0	0	37,307	36,588
<i>Tangible assets</i>								
Property, plant and equipment	53,563	52,146	92	87	0	0	53,655	52,233
Assets under operating leases	17,673	17,013	14,888	13,714	(4,939)	(5,055)	27,622	25,672
<i>Financial assets</i>								
Investments in joint ventures and associated companies	4,653	4,377	0	0	0	0	4,653	4,377
Other shares and participations	2,848	1,944	13	6	0	0	2,861	1,950
Non-current customer-financing receivables	926	727	46,461	49,466	(1,001)	(6,401)	46,386	43,792
Deferred tax assets	12,470	12,326	893	840	0	0	13,363	13,166
Prepaid pensions	8	11	0	11	0	0	8	22
Non-current interest-bearing receivables	831	550	27	34	(261)	(104)	597	480
Other non-current receivables	3,334	3,017	147	128	(141)	(208)	3,340	2,937
Total non-current assets	133,510	128,590	62,624	64,395	(6,342)	(11,768)	189,792	181,217
Current assets								
Inventories	46,956	40,964	208	189	0	0	47,164	41,153
<i>Current receivables</i>								
Customer-financing receivables	512	679	44,557	40,854	(817)	(1,464)	44,252	40,069
Tax assets	2,096	1,692	54	57	0	0	2,150	1,749
Interest-bearing receivables	1,321	1,645	503	473	(1,358)	(1,209)	466	909
Internal funding	2,699	2,256	0	0	(2,699)	(2,256)	0	0
Accounts receivable	31,802	29,170	373	245	0	0	32,175	29,415
Other receivables	13,752	12,207	1,580	1,383	(1,015)	(936)	14,317	12,654
Non interest-bearing assets held for sale	503	8,102	0	0	0	0	503	8,102
Interest-bearing assets held for sale	0	2	0	0	0	0	0	2
Marketable securities	6,046	2,570	2	21	0	0	6,048	2,591
Cash and cash equivalents	12,726	25,660	1,804	1,679	(285)	(371)	14,245	26,968
Total current assets	118,413	124,947	49,081	44,901	(6,174)	(6,236)	161,320	163,612
Total assets	251,923	253,537	111,705	109,296	(12,516)	(18,004)	351,112	344,829
Equity and liabilities								
Equity attributable to the equity holders of the parent company								
Minority interests	67,148	67,134	9,226	8,906	(4)	(8)	76,370	76,032
Total equity	1,455	1,333	0	0	0	0	1,455	1,333
Total equity	68,603	68,467	9,226	8,906	(4)	(8)	77,825	77,365
<i>Non-current provisions</i>								
Provisions for post-employment benefits	13,501	12,249	65	73	0	0	13,566	12,322
Provisions for deferred taxes	(196)	324	2,000	2,082	0	0	1,804	2,406
Other provisions	6,308	6,005	211	183	1	2	6,520	6,190
<i>Non-current liabilities</i>								
Bond loans	46,238	46,585	0	0	0	0	46,238	46,585
Other loans	28,118	31,219	13,501	12,182	(997)	(6,537)	40,622	36,864
Internal funding	(35,466)	(34,027)	37,109	35,761	(1,643)	(1,734)	0	0
Other liabilities	14,969	14,315	637	665	(3,327)	(3,503)	12,279	11,477
Current provisions	12,790	11,246	76	58	3	0	12,869	11,304
<i>Current liabilities</i>								
Loans	42,322	46,806	9,767	6,705	(1,500)	(1,959)	50,589	51,552
Internal funding	(33,252)	(38,090)	35,529	39,659	(2,277)	(1,569)	0	0
Non interest-bearing liabilities held for sale	126	332	0	0	0	0	126	332
Interest-bearing liabilities held for sale	0	18	0	0	0	0	0	18
Trade payables	50,893	53,685	375	216	0	0	51,268	53,901
Tax liabilities	1,034	1,072	321	48	0	0	1,355	1,120
Other liabilities	35,935	33,331	2,888	2,758	(2,772)	(2,696)	36,051	33,393
Total equity and liabilities	251,923	253,537	111,705	109,296	(12,516)	(18,004)	351,112	344,829
Key ratios, %								
Total equity as percentage of total assets	27.2	27.0	8.3	8.1	-	-	22.2	22.4
Shareholders' equity per share, excluding minority interests, SEK	-	-	-	-	-	-	37.7	37.5
Return on operating capital, 12 months rolling values	8.3	5.9	-	-	-	-	-	-
Return on equity, 12 months rolling values	10.0	10.1	-	-	-	-	7.2	5.0

CONSOLIDATED CASH FLOW STATEMENT SECOND QUARTER

SEK bn	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Operating activities								
Operating income (loss)	3.2	2.8	0.4	0.4	0.0	0.0	3.6	3.2
Depreciation tangible assets	1.5	1.4	0.0	0.0	0.0	0.0	1.5	1.4
Amortization intangible assets	0.9	0.8	0.0	0.0	0.0	0.0	0.9	0.8
Depreciation leasing vehicles	0.9	0.9	0.8	0.7	0.0	0.0	1.7	1.6
Other non-cash items	(0.3)	1.2	0.2	0.3	(0.1)	0.0	(0.2)	1.5
Total change in working capital whereof	0.7	1.6	(3.2)	(4.6)	0.3	0.1	(2.2)	(2.9)
Change in accounts receivable	0.2	(4.1)	(0.1)	0.0	0.1	0.0	0.2	(4.2)
Change in customer financing receivables	(0.1)	0.0	(3.0)	(4.5)	0.2	0.1	(2.9)	(4.4)
Change in inventories	(0.2)	(2.0)	(0.1)	0.0	0.0	0.0	(0.3)	(2.0)
Change in trade payables	(0.5)	7.0	0.3	0.0	(0.1)	0.0	(0.3)	7.0
Other changes in working capital	1.3	0.7	(0.3)	(0.1)	0.1	0.0	1.1	0.7
Interest and similar items received	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1
Interest and similar items paid	(0.5)	(0.6)	0.0	0.0	0.0	0.0	(0.5)	(0.6)
Other financial items	(0.1)	0.0	0.0	0.0	0.0	0.0	(0.1)	0.0
Income taxes paid	(0.7)	(0.9)	(0.2)	(0.2)	0.0	0.1	(0.9)	(1.0)
Cash flow from operating activities	5.7	7.3	(2.0)	(3.4)	0.2	0.2	3.9	4.1
Investing activities								
Investments in tangible assets	(1.6)	(1.8)	0.0	0.0	0.0	(0.1)	(1.6)	(1.9)
Investments in intangible assets	(0.4)	(1.2)	0.0	0.0	0.0	0.0	(0.4)	(1.2)
Investment in leasing vehicles	0.0	(0.3)	(2.7)	(1.5)	0.0	0.0	(2.7)	(1.8)
Disposals of fixed assets and leasing vehicles	0.3	0.1	1.3	0.5	(0.1)	0.0	1.5	0.6
Operating cash flow	4.0	4.1	(3.4)	(4.4)	0.1	0.1	0.7	(0.2)
Investments and divestments of shares, net							0.0	0.0
Acquired and divested operations, net							0.3	0.1
Interest-bearing receivables incl marketable securities							(1.9)	(1.5)
Cash-flow after net investments							(0.9)	(1.6)
Financing activities								
Change in loans, net							0.9	6.2
Dividend to AB Volvo shareholders							(6.1)	(6.1)
Dividend to minority shareholders							0.0	0.0
Other							0.1	(0.1)
Change in cash and cash equivalents excl. translation differences							(6.0)	(1.6)
Translation difference on cash and cash equivalents							0.4	0.1
Change in cash and cash equivalents							(5.6)	(1.5)

CONSOLIDATED CASH FLOW STATEMENT FIRST SIX MONTHS

SEK bn	Industrial operations		Customer Finance		Eliminations		Volvo Group Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Operating activities								
Operating income	5.0	2.9	0.8	0.8	0.0	0.0	5.8	3.7
Depreciation tangible assets	3.2	2.7	0.0	0.0	0.0	0.0	3.2	2.7
Amortization intangible assets	1.7	1.6	0.0	0.0	0.0	0.0	1.7	1.6
Depreciation leasing vehicles	1.5	1.6	1.6	1.4	0.0	0.0	3.1	3.0
Other non-cash items	(0.2)	1.1	0.4	0.4	(0.1)	0.0	0.1	1.5
Total change in working capital whereof	(10.3)	(4.6)	0.6	(4.9)	(5.9)	0.1	(15.6)	(9.4)
Change in accounts receivable	(1.1)	(5.4)	(0.1)	(0.1)	0.0	0.0	(1.2)	(5.5)
Change in customer financing receivables	0.0	0.2	0.7	(4.8)	(6.0)	0.0	(5.3)	(4.6)
Change in inventories	(4.5)	(4.7)	(0.1)	0.1	0.0	0.0	(4.6)	(4.6)
Change in trade payables	(4.1)	5.7	0.2	0.0	0.0	0.0	(3.9)	5.7
Other changes in working capital	(0.6)	(0.4)	(0.1)	(0.1)	0.1	0.1	(0.6)	(0.4)
Interest and similar items received	0.2	0.2	0.0	0.0	0.0	0.0	0.2	0.2
Interest and similar items paid	(1.0)	(1.1)	0.0	0.0	0.0	0.0	(1.0)	(1.1)
Other financial items	(0.2)	(0.1)	0.0	0.0	0.0	0.0	(0.2)	(0.1)
Income taxes paid	(1.5)	(1.5)	(0.2)	0.0	0.0	0.0	(1.7)	(1.5)
Cash flow from operating activities	(1.6)	2.8	3.2	(2.3)	(6.0)	0.1	(4.4)	0.6
Investing activities								
Investments in tangible assets	(2.8)	(3.4)	0.0	0.0	0.0	0.0	(2.8)	(3.4)
Investments in intangible assets	(1.0)	(2.5)	0.0	0.0	0.0	0.0	(1.0)	(2.5)
Investment in leasing vehicles	(0.1)	(0.6)	(4.3)	(2.8)	0.0	0.0	(4.4)	(3.4)
Disposals of fixed assets and leasing vehicles	0.5	0.2	2.1	1.0	(0.1)	0.0	2.5	1.2
Operating cash flow	(5.0)	(3.5)	1.0	(4.1)	(6.1)	0.1	(10.1)	(7.5)
Investments and divestments of shares, net							0.0	(0.1)
Acquired and divested operations, net							7.2	0.5
Interest-bearing receivables incl marketable securities							(3.3)	(2.9)
Cash-flow after net investments							(6.2)	(10.0)
Financing activities								
Change in loans, net							(0.7)	13.8
Dividend to AB Volvo shareholders							(6.1)	(6.1)
Dividend to minority shareholders							0.0	0.0
Other							0.0	(0.1)
Change in cash and cash equivalents excl. translation differences							(13.0)	(2.4)
Translation difference on cash and cash equivalents							0.3	(0.1)
Change in cash and cash equivalents							(12.7)	(2.5)

CONSOLIDATED NET FINANCIAL POSITION

SEK bn	Industrial operations		Volvo Group	
	Jun 30 2014	Dec 31 2013	Jun 30 2014	Dec 31 2013
Non-current interest-bearing assets				
Non-current customer-financing receivables	-	-	46.4	43.8
Non-current interest-bearing receivables	0.8	0.6	0.6	0.5
Current interest-bearing assets				
Customer-financing receivables	-	-	44.3	40.1
Interest-bearing receivables	1.3	1.6	0.5	0.9
Internal funding	2.7	2.3	-	-
Interest-bearing assets held for sale	0.0	0.0	0.0	0.0
Marketable securities	6.0	2.6	6.0	2.6
Cash and cash equivalents	12.7	25.7	14.2	27.0
Total financial assets	23.6	32.7	112.0	114.8
Non-current interest-bearing liabilities				
Bond loans	(46.2)	(46.6)	(46.2)	(46.6)
Other loans	(28.1)	(31.2)	(40.6)	(36.9)
Internal funding	35.5	34.0	-	-
Current interest-bearing liabilities				
Loans	(42.3)	(46.8)	(50.6)	(51.6)
Internal funding	33.3	38.1	-	-
Interest-bearing liabilities held for sale	(0.0)	(0.0)	(0.0)	(0.0)
Total financial liabilities	(48.0)	(52.5)	(137.4)	(135.0)
Net financial position excl post-employment benefits	(24.3)	(19.8)	(25.5)	(20.2)
Provisions for post-employment benefits, net	(13.5)	(12.2)	(13.6)	(12.3)
Net financial position incl post-employment benefits	(37.8)	(32.1)	(39.0)	(32.5)
Key ratios, %				
Net financial position in % of total equity	(55.1)	(46.8)		
Net financial position excl. pensions in % of total equity	(35.5)	(29.0)		

CHANGES IN NET FINANCIAL POSITION, INDUSTRIAL OPERATIONS

SEK bn	Second quarter 2014	First six months 2014
Beginning of period	(34.5)	(32.1)
Cash flow from operating activities	5.7	(1.6)
Investments in fixed assets	(2.0)	(3.9)
Disposals	0.3	0.5
Operating cash-flow	4.0	(5.0)
Investments and divestments of shares, net	0.0	0.0
Acquired and divested operations, net*	0.6	7.5
Capital injections to/from Customer Finance operations	(0.2)	0.5
Currency effect	(1.1)	(1.4)
Dividend paid to AB Volvo shareholders	(6.1)	(6.1)
Remeasurements of defined benefit pension plans	(0.5)	(1.1)
Pension payments and costs, net	0.2	0.2
Other changes	(0.2)	(0.3)
Total change	(3.3)	(5.7)
Net financial position at end of period	(37.8)	(37.8)

*Including claim in a subordinated loan on buyers of commercial real estate.

For more info see note 3 in this report

CONSOLIDATED CHANGES IN TOTAL EQUITY

SEK bn	First six months 2014	Full year 2013
Total equity at end of previous period	77.4	77.1
IFRS transition effect	-	-
Total equity at beginning of period	77.4	77.1
Shareholders' equity attributable to equity holders of the parent company at beginning of period	76.0	75.8
Income for the period	3.6	3.6
Other comprehensive income	2.9	2.6
Total comprehensive income	6.4	6.2
Dividend to AB Volvo's shareholders	(6.1)	(6.1)
Share-based payments	0.0	0.1
Transactions with minority interests	0.0	0.0
Other changes	0.0	0.0
Shareholders' equity attributable to equity holders of the parent company at end of period	76.4	76.0
Minority interests at beginning of period	1.4	1.3
Income for the period	0.1	0.2
Other comprehensive income	0.0	0.1
Total comprehensive income	0.1	0.3
Dividend	0.0	(0.2)
Minority regarding acquisitions and divestments	0.0	0.0
Other changes	0.0	0.0
Minority interests at end of period	1.5	1.4
Total equity at end of period	77.8	77.4

QUARTERLY FIGURES

SEK M unless otherwise stated

Income statement, Volvo Group	2/2013	3/2013	4/2013	1/2014	2/2014	First six months 2014	First six months 2013
Net sales	72,756	64,880	76,642	65,646	72,601	138,247	131,100
Cost of Sales	(56,876)	(50,012)	(59,789)	(50,687)	(56,451)	(107,139)	(102,703)
Gross income	15,880	14,868	16,853	14,959	16,150	31,109	28,397
Research and development expenses	(3,596)	(3,711)	(4,191)	(4,137)	(4,280)	(8,417)	(7,222)
Selling expenses	(7,373)	(6,786)	(7,558)	(6,646)	(7,008)	(13,654)	(14,162)
Administrative expenses	(1,491)	(1,461)	(1,605)	(1,380)	(1,369)	(2,748)	(2,796)
Other operating income and expenses	(153)	(536)	(2,528)	(555)	64	(492)	(490)
Income (loss) from investments in joint ventures and associated companies	(6)	63	(3)	21	0	20	36
Income from other investments	1	(38)	27	8	6	14	(19)
Operating income	3,262	2,398	996	2,269	3,563	5,833	3,744
<i>Whereof restructuring charges</i>	<i>(16)</i>	<i>(104)</i>	<i>(581)</i>	<i>(318)</i>	<i>(762)</i>	<i>(1,080)</i>	<i>(30)</i>
Operating income excl. restructuring charges	3,278	2,502	1,577	2,588	4,325	6,913	3,774
Interest income and similar credits	101	93	89	89	78	167	199
Interest expense and similar charges	(712)	(647)	(893)	(534)	(465)	(999)	(1,270)
Other financial income and expenses	229	(140)	45	(97)	187	90	106
Income after financial items	2,880	1,704	237	1,727	3,364	5,091	2,779
Income taxes	(795)	(288)	311	(586)	(830)	(1,416)	(942)
Income for the period*	2,086	1,415	548	1,141	2,534	3,675	1,838
*Attributable to:							
Equity holders of the parent company	2,015	1,387	485	1,084	2,472	3,556	1,711
Minority interests	71	28	63	57	62	119	127
	2,086	1,415	548	1,141	2,534	3,675	1,838

Key operating ratios, Volvo Group, %

Gross margin	21.8	22.9	22.0	22.8	22.2	22.5	21.7
Research and development expenses in % of net sales	4.9	5.7	5.5	6.3	5.9	6.1	5.5
Selling expenses in % of net sales	10.1	10.5	9.9	10.1	9.7	9.9	10.8
Administrative expenses in % of net sales	2.0	2.3	2.1	2.1	1.9	2.0	2.1
Operating margin excl. restructuring charges	4.5	3.9	2.1	3.9	6.0	5.0	2.9
Operating margin	4.5	3.7	1.3	3.5	4.9	4.2	2.9

Key operating ratios, Industrial operations, %

Gross margin	21.0	21.9	21.1	21.8	21.3	21.6	20.8
Research and development expenses in % of net sales	5.1	5.9	5.6	6.5	6.0	6.2	5.7
Selling expenses in % of net sales	9.9	10.1	9.5	9.8	9.3	9.5	10.5
Administrative expenses in % of net sales	2.1	2.3	2.1	2.1	1.9	2.0	2.2
Operating margin excl. restructuring charges	4.0	3.4	1.6	3.4	5.5	4.5	2.3
Operating margin	4.0	3.3	0.8	2.9	4.5	3.7	2.3

EBITDA, Industrial operations, %

Operating income Industrial operations	2,846	2,069	600	1,874	3,170	5,044	2,947
Product and Software development, amortization	759	867	924	743	767	1,510	1,463
Goodwill, revaluation for Volvo Rents	0	0	1,458	0	0	0	0
Other intangible assets, amortization	77	76	79	72	80	153	155
Tangible assets, depreciation	2,291	2,333	2,761	2,329	2,335	4,664	4,358
Total depreciation and amortization	3,127	3,276	5,221	3,145	3,182	6,327	5,975
Operating income before depreciation and amortization (EBITDA)	5,973	5,345	5,821	5,019	6,353	11,371	8,923
EBITDA margin, %	8.4	8.4	7.8	7.8	9.0	8.4	7.0

Net capitalization of research and development

Capitalization	1,140	542	766	461	397	859	2,311
Amortization	(650)	(768)	(804)	(623)	(668)	(1,291)	(1,260)
Net capitalization	489	(226)	(38)	(162)	(271)	(432)	1,051

QUARTERLY FIGURES

Net sales

	2/2013	3/2013	4/2013	1/2014	2/2014	First six months 2014	First six months 2013
SEK M							
Trucks	46,234	43,248	51,961	43,845	48,179	92,024	83,265
Construction Equipment	16,019	12,278	13,005	13,371	14,624	27,996	28,154
Buses	4,008	3,705	5,512	3,367	4,775	8,142	7,490
Volvo Penta	2,159	1,775	1,777	1,804	2,002	3,806	3,998
Corporate Functions, Group Functions & Other	3,170	3,094	3,592	2,206	1,910	4,115	5,724
Eliminations	(760)	(787)	(949)	(471)	(589)	(1,060)	(1,422)
Industrial operations	70,830	63,312	74,898	64,123	70,899	135,023	127,210
Customer Finance	2,385	2,350	2,452	2,351	2,468	4,819	4,736
Reclassifications and eliminations	(459)	(783)	(708)	(828)	(766)	(1,594)	(846)
Volvo Group	72,756	64,880	76,642	65,646	72,601	138,247	131,100

Operating income excl. restructuring charges

	2/2013	3/2013	4/2013	1/2014	2/2014	First six months 2014	First six months 2013
SEK M							
Trucks	1,851	1,893	2,965	1,798	2,173	3,971	1,966
Construction Equipment	1,324	496	272	647	751	1,399	1,824
Buses	11	(164)	50	36	70	106	(77)
Volvo Penta	290	165	72	151	235	386	390
Corporate Functions, Group Functions & Other	(617)	(239)	(2,198)	(592) ¹	688	96	(1,133)
Eliminations	3	23	20	152	12	164	7
Industrial operations	2,862	2,174	1,181	2,192	3,928	6,120	2,977
Customer Finance	416	327	397	395	397	793	797
Volvo Group excl. restructuring charges	3,278	2,502	1,577	2,588	4,325	6,913	3,774

1 Included in the amount is a negative SEK 139 M pertaining to an elimination of internal profit in connection to the Volvo Rents divestment. This is offset by an equal positive amount in the Eliminations line. Hence no effect on Group total.

Restructuring charges (see Note 6 Efficiency program)

	2/2013	3/2013	4/2013	1/2014	2/2014	First six months 2014	First six months 2013
Trucks	(16)	(100)	(549)	(318)	(370)	(688)	(30)
Construction Equipment	-	-	-	-	(1)	(1)	-
Buses	-	-	-	-	(6)	(6)	-
Volvo Penta	-	-	-	-	(5)	(5)	-
Corporate Functions, Group Functions & Other	-	(4)	(32)	-	(376)	(377)	-
Industrial operations	(16)	(104)	(581)	(318)	(758)	(1,076)	(30)
Customer Finance	-	-	-	-	(4)	(4)	-
Volvo Group restructuring charges	(16)	(104)	(581)	(318)	(762)	(1,080)	(30)
Volvo Group	3.262	2.398	996	2.269	3.563	5.833	3.744

Operating margin excl. restructuring charges

%	2/2013	3/2013	4/2013	1/2014	2/2014	First six months 2014	First six months 2013
Trucks	4.0	4.4	5.7	4.1	4.5	4.3	2.4
Construction Equipment	8.3	4.0	2.1	4.8	5.1	5.0	6.5
Buses	0.3	(4.4)	0.9	1.1	1.5	1.3	(1.0)
Volvo Penta	13.4	9.3	4.0	8.4	11.7	10.1	9.7
Industrial operations	4.0	3.4	1.6	3.4	5.5	4.5	2.3
Volvo Group excl. restructuring charges	4.5	3.9	2.1	3.9	6.0	5.0	2.9
Volvo Group	4.5	3.7	1.3	3.5	4.9	4.2	2.9

Share data

	2/2013	3/2013	4/2013	1/2014	2/2014	First six months 2014	First six months 2013
Earnings per share, SEK ²	0.99	0.68	0.24	0.53	1.22	1.75	0.84
Earnings per share, SEK ² , 12 months rolling values	1.94	1.93	1.77	2.45	2.68	-	-
Diluted earnings per share	0.99	0.68	0.24	0.53	1.22	1.75	0.84
Number of shares outstanding, million	2,028	2,028	2,028	2,028	2,028	2,028	2,028
Average number of shares during period, million	2,028	2,028	2,028	2,028	2,028	2,028	2,028
Average diluted number of shares during period, million	2,030	2,030	2,031	2,030	2,031	2,031	2,030
Number of company shares, held by AB Volvo, million	101	100	100	100	100	100	101
Average number of company shares, held by AB Volvo, million	101	100	100	100	100	100	101

NOTE 1 ACCOUNTING PRINCIPLES

The Volvo Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. The accounting principles adopted are consistent with those described in the Volvo Group Annual Report 2013 note 1 (available at volvogroup.com). There are no new accounting principles applicable from 2014 that significantly affects the Volvo Group. Volvo Group has adopted IFRS 10, 11 and 12 from January 1, 2013.

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The parent company applies the Swedish Annual Accounts Act and RFR 2 Reporting for legal entities.

NOTE 2 RISKS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

All business operations involve risk – managed risk-taking is a condition of maintaining a sustained favorable profitability. Risk may be due to events in the world and can affect a given industry or market. Risk can be specific to a single company. Volvo works continuously to identify, measure and manage risk, and in some cases Volvo can influence the likelihood that a risk-related event will occur. In cases in which such events are beyond Volvo's control, the aim is to minimize the consequences.

The risks to which the Volvo Group are exposed are classified into three main categories:

External-related risks – such as the cyclical nature of the commercial vehicles business, intense competition, changes in prices for commercial vehicles and government regulations;

Financial risks – such as currency fluctuations, interest levels fluctuations, valuations of shares or similar instruments, credit risk and liquidity risk and;

Operational risks – such as market reception of new products, reliance on suppliers, protection and maintenance of intangible assets, complaints and legal actions by customers and other third parties and risk related to human capital.

For a more elaborated account for these risks, please refer to the Risk Management section on pages 86-87 in the Volvo Group Annual Report 2013 (available at volvogroup.com).

Risk updates for the period

Short-term risks, when applicable, are also described in the respective segment section of this report.

An increase in demand could potentially result in delivery disturbances due to suppliers' financial instability or shortage of resources.

Uncertainty regarding customers' access to the financing of products in emerging markets might have a negative impact on demand.

Volvo verifies annually, or more frequently if necessary, the goodwill value of its business areas and other intangible assets for possible impairment. The size of the surplus value differs between the business areas and they are, to a varying degree, sensitive to changes in the business environment. Instability in the business recovery and volatility in interest and currency rates may lead to indications of impairment.

The reported amounts for contingent liabilities reflect a part of Volvo's risk exposure.

Total contingent liabilities as of June 30, 2014, amounted to SEK 16 Bn compared to SEK 17.3 Bn as of December 31, 2013. A significant part of the contingent liabilities are related to credit guarantees issued as a result of sales in emerging markets, in particular sales of construction equipment in China. The gross exposure of SEK 16 Bn is partly reduced by counter guarantees and collaterals. Please refer to the Volvo Group Annual Report 2013 note 24 for a description of the nature of contingent liabilities including information on the legal proceedings and investigations that the Group is currently involved in and subject to. The on-going legal proceedings and investigations are progressing but during the first six months no material change has occurred in these matters compared to the description provided in note 24 of the Volvo Group Annual Report 2013.

NOTE 3 CORPORATE ACQUISITIONS AND DIVESTMENTS

Acquisition of hauler business from Terex Inc.

On 30 May 2014 the acquisition of the hauler manufacturing business from Terex Inc. was finalized. Volvo has acquired 100 % of Terex Equipment Ltd. based in Motherwell, Scotland where the main production facility is located. The deal includes two product ranges that offer both rigid and articulated haulers. It includes also the distribution of haulers in the U.S. as well as a 25.2% holding in Inner Mongolia North Hauler Joint Stock Co (NHL), which manufactures and sells rigid haulers under the Terex brand in China. NHL is listed on the Shanghai Stock Exchange.

Terex will be included in the Construction Equipment segment. The purchase price amounted to USD 160 M (approximately SEK 1 Bn) on a cash and debt free basis. The acquisition will increase the Volvo Group Industrial Operation's net financial debt by SEK 1 Bn. The acquisition resulted in goodwill of SEK 59 M. Acquired net assets amounted to SEK 1,094 M, whereof intangible assets other than goodwill of SEK 280 M and the holding in NHL valued at SEK 233 M. The market value of the NHL shares approximates SEK 600 M, but the shares are recognized at the fair value SEK 233 M taking into consideration a restriction in the right of disposal. The acquisition has not had a significant impact on the Volvo Group's earnings and financial position in the quarter. In 2013, the acquired businesses (excluding NHL) had net sales of approximately SEK 1.5 Bn and an operating income of approximately SEK 60 M.

Divestment of commercial real estate

Companies in the Volvo Group signed an agreement in March 2014, to sell commercial real estate to companies jointly owned by Hemfosa Fastigheter AB and AB Sagax, and to companies owned by AB Sagax. The transaction has been finalized in the second quarter 2014 and has reduced net financial debt in the Volvo Group's Industrial Operation by approximately SEK 1.8 Bn, out of which SEK 0.3 Bn is a claim in a subordinated loan. The impact on operating cashflow from the transaction is SEK 0.3 Bn. The transaction had a positive impact on the Group's operating income of SEK 815 M in the second quarter 2014, whereof SEK 751 M in the segment "Group functions, corporate functions and other" and SEK 64 M in the segment "Trucks". The transaction covered to a large extent real estate in Gothenburg owned by the Volvo Group and leased to external tenants. The transaction also included properties in Denmark, Sweden and Finland, where the real estate to a large extent are continuously rented by companies in the Volvo Group.

Volvo Rents divestment

The divestiture of Volvo Rents, completed on January 31 2014, had a positive impact on operating income in the second quarter 2014 of SEK 226 M as an effect of the ongoing completion of accounts. No income effect from the divestment was recognized in the first quarter 2014. The price amounted to USD 1.1 Bn, corresponding to SEK 6.9 Bn, and had a positive impact on the Group's cashflow and net financial debt within the

industrial operation in the first quarter 2014 with the same amount. In connection to the divestment, Volvo Rents repaid all outstanding loans to Volvo Financial Services.

In the fourth quarter 2013, assets and liabilities pertaining to Volvo Rents were classified as assets held for sale and a loss of SEK 1.5 Bn was recognized in operating income within the segment "Group functions, corporate functions and other".

Net sales for Volvo Rents in 2013 amounted to SEK 4,212 M and operating income amounted to a negative SEK 133 M.

Other acquisitions and divestments

Volvo has not made any other acquisitions or divestments during the second quarter that have had a significant impact on the Volvo Group.

Assets and liabilities held for sale

Assets amounting to SEK 503 M and liabilities amounting to SEK 126 M classified as held for sale at the end of the second quarter 2014, mainly pertain to a planned dealer divestment and divestment activities within the efficiency program.

NOTE 4 CURRENCY AND FINANCIAL INSTRUMENTS

Currency effect on operating income Industrial operations	Compared to second quarter 2013			Compared to first quarter 2014		
	Second quarter 2014	Second quarter 2013	Change	Second quarter 2014	Second quarter 2014	Change
SEK M						
Net flow in foreign currency			(495)			282
Realized gains and losses on hedging contracts	5	4	1	5	9	(4)
Unrealized gains and losses on receivables and liabilities in foreign currency	(40)	(315)	275	(40)	75	(115)
Unrealized gains and losses on hedging contracts	(20)	(5)	(15)	(20)	(16)	(4)
Translation effect on operating income in foreign subsidiaries			58			92
Total currency effect on operating income Industrial operations			(176)			251

Applicable currency rates

	Quarterly exchange rates		Close rates	
	Second quarter 2014	Second quarter 2013	Jun 30, 2014	Jun 30, 2013
BRL	2.95969	3.18147	3.07270	3.05310
CNY	1.05888	1.05623	1.08650	1.09320
EUR	9.05854	8.57307	9.20575	8.76695
JPY	0.06466	0.06646	0.06652	0.06794
USD	6.59782	6.56162	6.74185	6.71485

Fair value of financial instruments

Valuation principles and principles for hedge accounting for Volvo Group financial instruments, as described in Volvo Group Annual Report 2013 Note 30 (available at volvogroup.com), have been consistently applied throughout the reporting period.

Financial instruments in the Volvo Group reported at fair value through profit and loss consist of marketable securities (see balance

sheet) and interest-, currency- and raw material derivatives. Derivatives with positive fair values amounted to SEK 1.7 Bn and derivatives with negative fair values amounted to SEK 1.5 Bn as of June 30, 2014. The derivatives are accounted for on gross-basis, with the exception of derivatives with positive fair values amounting to SEK 1.1 Bn, netted against a fair value of a loan of negative 1.1 Bn, related to hedge accounting.

Financial liabilities valued at amortized cost, reported as Current and non-current bond loans and other loans, amounted to SEK 136.8 Bn in reported carrying value with a fair value of SEK 138.8 Bn. In the Volvo Group consolidated financial position, financial liabilities include loan-related derivatives with negative fair values amounting to SEK 0.6 Bn.

NOTE 5 TRANSACTIONS WITH RELATED PARTIES

Sales to associated companies amounted to SEK 355 M (522) and purchases from associated companies amounted to SEK 567 M (723) during the second quarter of 2014. As of June 30, 2014, receivables from associated companies amounted to SEK 373 M (301) and liabilities to associated companies to SEK 484 M (707). Sales to joint ventures

amounted to SEK 231 M (154) and purchases from joint ventures amounted to SEK 66 M (42) during the second quarter of 2014. As of June 30, 2014, receivables from joint ventures amounted to SEK 122 M (143) and liabilities to joint ventures to SEK 125 M (58).

NOTE 6 EFFICIENCY PROGRAM

The Volvo Group has decided to combine a number of actions into a Group-wide efficiency program. The program encompasses both reduction of white collar employees and consultants and efficiency enhancements in the global industrial system. The actions' common feature is that they are the result of the implementation of the Group's three-year strategies and that they are designed to enhance efficiency and competitiveness.

It is estimated that the program will entail restructuring costs totaling approximately SEK 5 Bn, whereof approximately SEK 1 Bn is expected to have no impact on cash flow. The

majority of the restructuring charges are expected to impact operating income during 2014. Savings are expected to amount to approximately SEK 4 Bn annually, and will generate results gradually in 2014, with full effect achieved by the end of 2015.

As from the third quarter 2013 operating cost related to the efficiency program is presented separately, when relevant for operational follow-up. As a result, in this report operating income and operating margin is presented both including and excluding restructuring charges. The program includes all restructuring cost, not only cost that meet the definition of restructuring provisions. The

cost is recognized as Other operating income and expense in the Group's Income statement.

In the second quarter 2014, SEK 762 M related to the efficiency program is presented separately. A major part of the quarterly cost is related to the voluntary leave program in Sweden.

Please refer to the CEO comments in this report for information on the announced activities within the program.

Efficiency program cost, provision and cash-flow

SEK bn

Total restructuring cost, efficiency program

		whereof items with no cash-flow effect
Announced total restructuring cost	5.0	1.0
Cost recognized		
Previous quarters*	1.6	0.8
Current quarter	0.8	0.0
Total cost recognized	2.4	
Remaining restructuring cost	2.6	0.2

Restructuring provision, efficiency program second quarter 2014

Opening balance	0.4
Utilized	(0.1)
New provision	0.7
Closing balance	1.0

* From fourth quarter 2012

PARENT COMPANY

Income Statement

	Second quarter		First six months	
SEK M	2014	2013	2014	2013
Net sales¹	138	149	294	245
Cost of sales ¹	(138)	(149)	(294)	(245)
Gross income	0	0	0	0
Operating expenses ¹	(291)	(251)	(492)	(537)
Income from investments in Group companies	57	798	(213)	501
Income from investments in joint ventures and associated companies	19	–	46	31
Income from other investments	–	5	7	5
Operating income (loss)	(215)	552	(652)	0
Interest income and expenses	(285)	(332)	(553)	(580)
Other financial income and expenses	(4)	(6)	(14)	(60)
Income after financial items	(504)	214	(1,219)	(640)
Income taxes	171	(64)	334	123
Income for the period	(333)	150	(885)	(517)

1 Of net sales in the second quarter, SEK 108 M (103) pertained to Group companies, while purchases from Group companies amounted to SEK 77 M (87).

Other comprehensive income

Income for the period	(333)	150	(885)	(517)
<i>Items that may be reclassified subsequently to income statement:</i>				
Available-for-sale investments	570	143	856	68
Other comprehensive income, net of income taxes	570	143	856	68
Total comprehensive income for the period	237	293	(29)	(449)

Balance Sheet

SEK M	June 30 2014	Dec 31 2013
Assets		
Non-current assets		
Intangible assets	30	38
Tangible assets	63	72
Financial assets		
Shares and participations in Group companies	61,046	60,763
Receivables from Group companies	36	59
Investments in joint ventures and associated companies	3,343	3,343
Other shares and participations	2,060	1,203
Deferred tax assets	2,904	2,550
Other long-term receivables	27	27
Total non-current assets	69,509	68,055
Current assets		
Short-term receivables from Group companies	8,813	8,951
Other short-term receivables	276	311
Cash and bank accounts	0	0
Total current assets	9,089	9,262
Total assets	78,598	77,317
Shareholders' equity and liabilities		
Shareholders' equity		
Restricted equity	9,891	9,891
Unrestricted equity	18,604	24,693
Untaxed reserves	5	5
Provisions	158	164
Non-current liabilities ¹	8	7
Current liabilities ²	49,932	42,557
Total shareholders' equity and liabilities	78,598	77,317

1 Of which SEK 7 M (7) pertains to Group companies.

2 Of which SEK 49,571 M (42,032) pertains to Group companies.

Income from investments in Group companies for the second quarter includes dividends amounting to SEK 367 M (1,080).

Revaluation of the holding in the listed company Eicher Motors Ltd to market value has increased the value during the year by SEK 856 M, recognized in other comprehensive income.

Investments in tangible assets amounted to SEK 8 M (37).

Financial net debt amounted to SEK 41,138 M (33,685) at the end of the second quarter.

Events after the balance sheet date

For important events after the balance sheet date, see page 11 of this report. No other significant events have occurred after the end of the second quarter 2014 that are expected to have a substantial effect on the Volvo Group.

The Board of Directors and the CEO certify that the half-yearly financial report gives a fair view of the performance of the business, position and profit or loss of the Company and the Group, and describes the principal risks and uncertainties that the Company and the companies in the Group face.

Göteborg July 18, 2014
AB Volvo (publ)

Carl-Henric Svanberg
Chairman of the Board

Matti Alahuhta
Board member

Jean-Baptiste Duzan
Board member

James W. Griffith
Board member

Kathryn V. Marinello
Board member

Hanne de Mora
Board member

Anders Nyrén
Board member

Olof Persson
President, CEO
and Board member

Lars Westerberg
Board member

Mats Henning
Board member

Mikael Sällström
Board member

Berth Thulin
Board member

REPORT OF REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the interim report for AB Volvo (publ), reg no 556012-5790, for the period 1 January–30 June 2014. The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim

Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Göteborg, 18 July 2014
PricewaterhouseCoopers AB

Peter Clemedtson
Authorized Public Accountant
Lead Partner

Johan Rippe
Authorized Public Accountant
Partner

DELIVERIES

Delivered trucks

	Second quarter			First six months		
	2014	2013	Change, %	2014	2013	Change, %
Group Trucks¹						
Europe	18,806	19,700	(5)	35,394	34,916	1
Western Europe	14,710	15,401	(4)	27,377	27,393	0
Eastern Europe	4,096	4,299	(5)	8,017	7,523	7
North America	14,983	13,203	13	27,984	20,910	34
South America	5,998	7,744	(23)	12,443	13,785	(10)
Asia	8,637	7,073	22	16,863	13,083	29
Other markets	4,799	4,264	13	8,384	7,706	9
Total Group Trucks	53,223	51,984	2	101,068	90,400	12
Light duty (< 7 tons)	4,344	3,274	33	6,925	6,135	13
Medium duty (7-16 tons)	4,112	4,229	(3)	7,602	7,884	(4)
Heavy duty (>16 tons)	44,767	44,481	1	86,541	76,381	13
Total Group Trucks	53,223	51,984	2	101,068	90,400	12
Non-consolidated operations						
VECV/Eicher (100%)	7,609	7,494	2	15,276	17,589	(13)
DVT (100%)	20	81	(75)	29	135	(79)
Total volumes	60,852	59,559	2	116,373	108,124	8
Mack Trucks						
Europe	-	-	-	-	1	-
Western Europe	-	-	-	-	1	-
Eastern Europe	-	-	-	-	-	-
North America	6,073	5,589	9	11,365	9,147	24
South America	219	575	(62)	369	1,130	(67)
Asia	3	7	(57)	3	7	(57)
Other markets	288	266	8	496	471	5
Total Mack Trucks	6,583	6,437	2	12,233	10,756	14
Light duty (< 7 tons)	-	-	-	-	-	-
Medium duty (7-16 tons)	-	-	-	-	-	-
Heavy duty (>16 tons)	6,583	6,437	2	12,233	10,756	14
Total Mack Trucks	6,583	6,437	2	12,233	10,756	14
Renault Trucks						
Europe	8,001	8,685	(8)	14,127	15,913	(11)
Western Europe	7,091	8,054	(12)	12,572	14,705	(15)
Eastern Europe	910	631	44	1,555	1,208	29
North America	54	34	59	68	56	21
South America	280	250	12	407	416	(2)
Asia	1,512	629	140	2,096	1,081	94
Other markets	1,639	1,342	22	2,483	2,361	5
Total Renault Trucks	11,486	10,940	5	19,181	19,827	(3)
Light duty (< 7 tons)	3,964	3,000	32	6,221	5,541	12
Medium duty (7-16 tons)	1,169	1,784	(34)	2,023	3,399	(40)
Heavy duty (>16 tons)	6,353	6,156	3	10,937	10,887	0
Total Renault Trucks	11,486	10,940	5	19,181	19,827	(3)

1 50/50 joint-ventures are consolidated using the equity method.

The information is such that AB Volvo (publ) is obliged to make public pursuant to the Securities Market Act (SFS 2007:528) and/or the Act on trade with financial instruments (SFS 1991:980). The information was distributed to media for publication on July 18, 2014 at 07:20 a.m.

This report contains forward-looking statements that reflect the Board of Directors' and management's current views with respect to certain future events and potential financial performance. Although the Board of Directors and the management believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, (i) changes in economic, market and competitive conditions, (ii) success of business and operating initiatives, (iii) changes in the regulatory environment and other government actions, (iv) fluctuations in exchange rates and (v) business risk management.

This report does not imply that the Company has undertaken to revise these forward-looking statements, beyond what is required under the company's registration contract with the NASDAQ OMX Stockholm, if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

	Second quarter			First six months		
	2014	2013	Change, %	2014	2013	Change, %
Volvo Trucks						
Europe	10,805	11,015	(2)	21,267	19,002	12
Western Europe	7,619	7,347	4	14,805	12,687	17
Eastern Europe	3,186	3,668	(13)	6,462	6,315	2
North America	8,837	7,534	17	16,522	11,507	44
South America	5,346	6,885	(22)	11,444	12,182	(6)
Asia	3,366	3,134	7	6,311	5,784	9
Other markets	1,563	1,492	5	3,114	2,646	18
Total Volvo Trucks	29,917	30,060	0	58,658	51,121	15
Light duty (< 7 tons)	-	-	-	-	-	-
Medium duty (7-16 tons)	680	485	40	1,112	804	38
Heavy duty (>16 tons)	29,237	29,575	(1)	57,546	50,317	14
Total Volvo Trucks	29,917	30,060	0	58,658	51,121	15

UD Trucks¹						
Europe	-	-	-	-	-	-
Western Europe	-	-	-	-	-	-
Eastern Europe	-	-	-	-	-	-
North America	19	46	(59)	29	200	(86)
South America	153	34	350	223	57	291
Asia	3,756	3,303	14	8,453	6,211	36
Other markets	1,309	1,164	12	2,291	2,228	3
Total UD Trucks	5,237	4,547	15	10,996	8,696	26
Light duty (< 7 tons)	380	274	39	704	594	19
Medium duty (7-16 tons)	2,263	1,960	15	4,467	3,681	21
Heavy duty (>16 tons)	2,594	2,313	12	5,825	4,421	32
Total UD Trucks	5,237	4,547	15	10,996	8,696	26

Non-consolidated operations						
DVT (100%)	20	81	(75)	29	135	(79)
Total volumes	5,257	4,628	14	11,025	8,831	25

Eicher²						
Europe	-	-	-	-	-	-
Western Europe	-	-	-	-	-	-
Eastern Europe	-	-	-	-	-	-
North America	-	-	-	-	-	-
South America	-	-	-	-	-	-
Asia	7,609	7,494	2	15,276	17,589	(13)
Other markets	-	-	-	-	-	-
Total Eicher	7,609	7,494	2	15,276	17,589	(13)
Light duty (< 7 tons)	1,191	1,164	2	2,526	2,366	7
Medium duty (7-16 tons)	4,296	4,854	(11)	8,763	11,465	(24)
Heavy duty (>16 tons)	2,122	1,476	44	3,987	3,758	6
Total Eicher	7,609	7,494	2	15,276	17,589	(13)

1 50/50 joint-ventures are consolidated using the equity method.

2 Eicher is reported under the equity method and consequently sales and deliveries are not consolidated in the Volvo Group.

Buses						
Europe	745	560	33	1,057	1,022	3
Western Europe	663	526	26	966	975	(1)
Eastern Europe	82	34	141	91	47	94
North America	397	375	6	638	661	(3)
South America	537	449	20	1,351	1,113	21
Asia	298	458	(35)	590	751	(21)
Other markets	217	208	4	333	328	2
Total Buses	2,194	2,050	7	3,969	3,875	2

Further publication dates

Report on the third quarter 2014	October 24, 2014
Report on the fourth quarter 2014	February 5, 2015
Annual Report 2014	March 2015

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EXHIBIT 67

Nothing in this Permanent Injunction shall prevent Defendant from advertising on the Internet and otherwise that Defendant “specializes in the tuning of Volvo® automobiles” or “sells tuning equipment for Volvo® automobiles” provided that the trademark Volvo® is not highlighted in any way.

2. Defendant shall change its use of the business names “Volvo Tuning,” “Volvo Performance Tuning,” and/or “VP Tuning,” and the Internet domain names VOLVOTUNING.COM and VPTUNING.COM as follows:

A. Use of Internet Domain Names. Defendant shall cease all uses of Internet domain names that use or incorporate any variations of the Volvo Marks, including but not limited to, the domain names VOLVOTUNING.COM and VPTUNING.COM. On or before January 31, 2006, Defendant shall transfer the domain names VOLVOTUNING.COM and VPTUNING.COM to Volvo, and Defendant shall disclose to Volvo’s counsel any other Internet domain names that Defendant has registered directly or indirectly using the Volvo Marks, or variations thereof, and will sign appropriate documents and will take all steps necessary to immediately transfer such names to Volvo. Defendant agrees that it will not in the future register and/or use any Internet domain names that incorporate or use the Volvo Marks, or any confusingly similar mark.

B. Transition to a New Domain Name. Until July 15, 2006, Volvo will point the Internet domain name VPTUNING.COM to a Landing Page (the “Landing Page”). The Landing Page shall read and look as follows:

VP Tuning has changed its name to [insert new business name].

Please visit our website at our new Internet domain name [insert new domain name] by clicking here, or wait five seconds and you will be automatically redirected to our website.

Volvo will point the Internet domain name VPTUNING.COM to the Domain Name Servers currently being used and listed by Defendant on the current WHOIS for the Internet domain

name VPTUNING.COM, or to any other Domain Name Servers specified in writing by Defendant. Defendant shall be responsible for hosting the Landing Page, and for the technical maintenance (e.g., Domain Name Server configuration, zone configuration, etc.) of the Landing Page until July 15, 2006 when the Landing Page will be removed.

C. Use of Business Names. Defendant agrees to discontinue the use of the business names "Volvo Tuning," "Volvo Performance Tuning," and/or "VP Tuning." Defendant's new business name shall not contain any Volvo Marks or any variation thereof, or any confusingly similar mark. On or before January 31, 2006, Defendant shall remove and/or modify all signage of any kind that uses the Volvo Marks. On or before January 31, 2006, Defendant shall submit to the Commonwealth of Massachusetts all forms necessary to change the business names. On or before January 31, 2006, Defendant shall request in writing that all telephone directories, Internet directories, or other directories that contain any listings or advertisements for Volvo Tuning," "Volvo Performance Tuning," and/or "VP Tuning." change their listings or advertisements for their next regularly scheduled publication. Defendant agrees that Defendant shall not in the future use the Volvo Marks, or any confusingly similar mark, in its business name.

D. Business Cards, Stationery, Brochures, etc. Defendant shall no later than January 31, 2006 turn over to counsel for Volvo for destruction all business cards, stationery, invoices, brochures, advertisements, and other documents or material using Volvo Marks.

3. Defendant, its owners, shareholders, employees, agents, successors, and all persons in active concert or participation with them or any of them, shall be and are hereby further ordered and permanently enjoined and restrained from facilitating, instructing, assisting,

aiding or abetting any other person or business entity in engaging in or performing any of the activities enjoined or restrained in this Permanent Injunction.

4. This Court shall retain jurisdiction over this matter to enforce the terms of this Consent Judgment and Permanent Injunction.

ORDER OF DISMISSAL WITH PREJUDICE

Based upon the agreement and stipulation of the parties, this matter is hereby dismissed with prejudice, each party to bear its own attorneys' fees and costs.

IT IS SO ORDERED.

DATED: _____

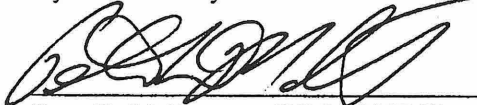
United States District Judge

STIPULATED AND AGREED TO:

**VOLVO TRADEMARK HOLDING AB and
VOLVO CARS OF NORTH AMERICA, INC.**

**GEORGE SAJONIAN and
VOLVO PERFORMANCE TUNING
a/k/a VPTuning,**

By their attorneys:



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801-366-7471

Dated: January 12, 2006

Certificate of Service

I hereby certify that this document, filed through the ECF system, will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF), on January 13, 2006. Paper copies will be sent to those indicated as non-registered participants. Non-registered participants include:

Merton E. Thompson, Esquire
Burns & Levinson LLP
125 Summer Street
Boston, MA 02119

Dated: January 13, 2006

By: /s/ Peter D. McDermott